

Xerox

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4818) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2005, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

This conference agreement includes the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2005; the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2005; the Energy and Water Development Appropriations Act, 2005; the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2005; the Interior and Related Agencies Appropriations Act, 2005; the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2005; the Legislative Branch Appropriations Act, 2005;

the Transportation, Treasury, and Independent Agencies Appropriations Act, 2005; the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2005; and other matters included in division J.

DIVISION A – AGRICULTURE, RURAL DEVELOPMENT, FOOD AND
DRUG ADMINISTRATION, AND RELATED AGENCIES
APPROPRIATIONS ACT, 2005

~~JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE~~

~~The managers on the part of the House and Senate at the conference on the disagreeing votes on the House bill (H.R. 4766) and the Senate reported bill (S. 2803) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2005 and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.~~

CONGRESSIONAL DIRECTIVES

The statement of the managers remains silent on provisions that were in both the House and Senate bills that remain unchanged by this conference agreement, except as noted in this statement of the managers.

The conferees agree that executive branch wishes cannot substitute for Congress' own statements as to the best evidence of congressional intentions—that is, the official reports of the Congress. The conferees further point out that funds in this Act must be used for the purposes for which appropriated, as required by section 1301 of title 31 of the United States Code, which provides: "Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law."

The House and Senate report language that is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein.

In cases in which the House or the Senate have directed the submission of a report, such report is to be submitted to both the House and Senate Committees on Appropriations.

TITLE I – AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

The conference agreement provides \$5,124,000 for the Office of the Secretary as proposed by the Senate instead of \$4,185,000 as proposed by the House.

The conference agreement provides the fiscal year 2004 funding level for cross-cutting trade negotiations and biotechnology resources in the following accounts: Office of the Secretary; Animal and Plant Health Inspection Service; Grain Inspection, Packers and Stockyards Administration; and the Foreign Agricultural Service.

The conferees appreciate receiving the detailed information provided in the Explanatory Notes prepared by the Department and rely heavily on this information when considering budget proposals. These materials have traditionally been prepared for the sole use of the Committees on Appropriations in a format consistent with the organization and operation of the programs and the structure of the Appropriations Act. At the direction of the Office of Management and Budget, the Department has changed the format and content of these materials to focus on broader goals and objectives rather than the major program structure followed in the Act, and in the actual conduct of the programs. The new organization and content does not present budget information in a format useful to the deliberations of the Committees. For fiscal year 2006 and future years, the Department is directed to present Explanatory Notes in a format consistent with

the presentation used for the fiscal year 2002 Budget. Any deviations from that format are to be approved in advance by the Committees.

The Homeland Security Act of 2002 transferred a number of functions previously under the direct jurisdiction of USDA to the newly created Department of Homeland Security [DHS]. Among these functions were research and diagnostic activities located at Plum Island, New York, and Agricultural Quarantine Inspection [AQI] activities located along our nation's borders and at select transportation centers. The conferees are aware of ongoing concerns within the agriculture sector that the transfer of these responsibilities may shift the focus away from agriculture to other priority areas of DHS. In order to ensure that the interests of U.S. agriculture are protected and that the intent of the Homeland Security Act of 2002 is being fully met, including the proper allocation of AQI and other funds, the conferees request the Government Accountability Office to provide a report, no later than March 1, 2005, on the coordination between USDA and DHS in protecting the U.S. agriculture sector, including a description of the long-term objectives of joint activities at Plum Island and the effectiveness of AQI and other inspection activities.

On previous occasions, both Committees have made clear that they expect the administration to abide by the statutory set-aside for non-emergency food aid programs. The Bill Emerson Humanitarian Trust (BEHT) exists so that the United States can provide emergency food aid above the appropriated level and not have to reduce funding for non-emergency programs. The conferees are concerned that the administration has continued to use non-emergency funds for emergency purposes. The conferees urge the administration to use the trust for its intended purpose. If the administration continues to waive the non-emergency set-aside

for emergencies that could be funded from the BEHT, the Committees may consider taking action to ensure this does not continue.

Despite numerous communications from the Congress over the past year urging USDA to improve the utilization and budget of the U.S. National Arboretum, operated by the Agricultural Research Service (ARS), the Department continues to neglect the management of this important public resource. The Department has failed to conclude longstanding discussions to enter into effective fund-raising initiatives through the not-for-profit association, Friends of the National Arboretum, which would offer the prospects of enhanced financial resources beyond federal taxpayers' dollars. At the same time, the Department has failed to manage the budget of the Arboretum in a manner that adequately provides for its current and future needs, including appropriate security and public access measures.

The conferees are disturbed by the inadequacy of the Department's actions to date, and direct the Secretary to take immediate steps to address and resolve these inadequacies. The conferees direct the Secretary to submit a written report, within 30 days of enactment of this Act, to the Committees on Appropriations on the steps taken as well as plans for any additional steps to address such concerns. The report shall include a timetable for implementation and monitoring of results.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

The conference agreement provides \$10,317,000 for the Office of the Chief Economist instead of \$10,810,000 as proposed by the House and \$9,817,000 as proposed by the Senate.

The conference agreement provides an increase of \$1,500,000 for a preferred procurement system and a labeling system for bio-based products.

~~The conference agreement provides an increase of \$1,500,000 for a preferred procurement system and a labeling system for bio-based products.~~

NATIONAL APPEALS DIVISION

The conference agreement provides \$14,331,000 for the National Appeals Division instead of \$14,526,000 as proposed by the House and \$14,154,000 as proposed by the Senate. The conferees provide an increase of \$477,000 to be applied to the highest priority needs for which additional funding was requested.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

The conference agreement provides \$8,228,000 for the Office of Budget and Program Analysis instead of \$8,246,000 as proposed by the House and \$8,128,000 as proposed by the Senate.

HOMELAND SECURITY STAFF

The conference agreement provides \$775,000 for Homeland Security Staff instead of \$508,000 as proposed by the House and \$1,000,000 as proposed by the Senate. Of the amount provided, \$270,000 is to continue operations originally funded by counterterrorism/homeland security supplemental funds.

OFFICE OF THE CHIEF INFORMATION OFFICER

The conference agreement provides \$16,595,000 for the Office of the Chief Information Officer instead of \$15,608,000 as proposed by the House and \$17,595,000 as proposed by the Senate. The conferees provide an increase of \$1,000,000 to be applied to the highest priority needs for which additional funding was requested.

The conferees have learned that the Department transferred more than \$16,000,000 in agency funds to the Office of the Chief Information Officer in fiscal years 2003 and 2004 to help

finance several Presidential eGovernment initiatives. The Department testified that, in addition, it collected fiscal years 2003 and 2004 funds in unspecified amounts from USDA agencies for its own eGovernment initiatives. The conferees are extremely disturbed that the Department has failed to comply with Section 718 of Public Law 108-199 that plainly states that no funds may be transferred to the Office of the Chief Information Officer without the prior approval of the Committees on Appropriations of both Houses of Congress. The USDA General Counsel's office advised the USDA Chief Information Officer in a memorandum dated April 20, 2004, that the Department notify the Committees of its intention to transfer funds to the Office of the Chief Information Officer and await a response. Yet, in spite of the clear legislative language and the General Counsel's advice, the Department proceeded to transfer these funds without the notification and approval of Congress. The Department further testified that the cost of these eGovernment initiatives will exceed \$40,000,000 in fiscal year 2005, and about its plans to use the Greenbook mechanism to manage agency contributions towards funding these initiatives. The conferees again direct that no funds be transferred, contributed, pooled or otherwise made available from the agencies to the Office of the Chief Information Officer without the prior approval of the Committees on Appropriations of both Houses of Congress. The conferees further direct that the Department provide, no later than February 1, 2005, a report on the fiscal years 2003, 2004, and estimated 2005 funds, transferred to the Office of the Chief Information Officer through interagency agreements, the Greenbook mechanism, or any other means. The report should identify the amounts transferred or otherwise made available, by Agency, how those funds were or are to be used and the impact of the transfers on agency program activities.

COMMON COMPUTING ENVIRONMENT

The conference agreement provides \$125,585,000 for common computing environment as proposed by the Senate. The House proposed funding these activities within the affected mission areas.

The conferees are aware that the acquisition of geospatial data and Geographic Information System technologies is critical to the Department of Agriculture's plans to modernize its County Service Centers and install a common computing environment that optimizes information sharing, customer service, and staff efficiencies, and improves the Department's ability to track and react to natural and/or manmade disasters. Within the funds provided in this Act, the conferees encourage the Department to provide the appropriate level of support to the National Agricultural Imagery Program for the acquisition of geospatial data and Geographic Information System technologies.

OFFICE OF THE CHIEF FINANCIAL OFFICER

The conference agreement provides \$5,742,000 for the Office of the Chief Financial Officer as proposed by the Senate instead of \$5,811,000 as proposed by the House.

WORKING CAPITAL FUND

The conference agreement provides \$12,850,000 for the Working Capital Fund as proposed by the House. The Senate bill contained no such account. The conference agreement also includes a general provision ^(Section 705) that authorizes the Secretary to transfer unobligated balances of other accounts to the Working Capital Fund.

OFFICE OF THE ASSISTANT SECRETARY FOR CIVIL RIGHTS

The conference agreement provides \$818,000 for the Office of the Assistant Secretary for Civil Rights instead of \$803,000 as proposed by the House and \$819,000 as proposed by the Senate.

OFFICE OF CIVIL RIGHTS

The conference agreement provides \$19,889,000 for the Office of Civil Rights instead of \$19,452,000 as proposed by the House and \$20,347,000 as proposed by the Senate. The conferees provide an increase of \$1,458,000 to be applied to the highest priority needs for which additional funding was requested.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

The conference agreement provides \$669,000 for the Office of the Assistant Secretary for Administration as proposed by the House instead of \$682,000 as proposed by the Senate.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

The conference agreement provides \$163,870,000 for agriculture buildings and facilities and rental payments instead of \$128,216,000 as proposed by the House and \$170,870,000 as proposed by the Senate. The conferees provide an increase of \$3,000,000 for building operations and maintenance to be applied to the highest priority needs for which additional funding was requested.

HAZARDOUS MATERIALS MANAGEMENT

The conference agreement provides \$15,532,000 as proposed by the Senate instead of \$15,730,000 as proposed by the House.

DEPARTMENTAL ADMINISTRATION

The conference agreement provides \$22,626,000 for Departmental Administration as proposed by the Senate instead of \$22,939,000 as proposed by the House.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

The conference agreement provides \$3,852,000 for the Office of the Assistant Secretary for Congressional Relations as proposed by the House and the Senate.

OFFICE OF COMMUNICATIONS

The conference agreement provides \$9,365,000 as proposed by the Senate instead of \$9,378,000 as proposed by the House.

The conferees direct the Office of Communications to continue providing them with copies of open source news material made available to USDA officials through the use of appropriated funds.

OFFICE OF THE INSPECTOR GENERAL

The conference agreement provides \$78,289,000 for the Office of the Inspector General as proposed by the Senate instead of \$78,392,000 as proposed by the House.

OFFICE OF THE GENERAL COUNSEL

The conference agreement provides \$35,861,000 for the Office of the General Counsel instead of \$35,486,000 as proposed by the House and \$36,236,000 as proposed by the Senate. The conferees provide an increase of \$625,000 to be applied to the highest priority needs for which additional funding was requested.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

The conference agreement provides \$592,000 for the Office of the Under Secretary for Research, Education and Economics as proposed by the House instead of \$605,000 as proposed by the Senate.

ECONOMIC RESEARCH SERVICE

The conference agreement provides \$74,768,000 for the Economic Research Service instead of \$76,575,000 as proposed by the House and \$75,268,000 as proposed by the Senate. The conferees provide an increase of \$3,500,000 to be applied to the highest priority needs for which additional funding is requested.

1 WAS

12

The conference agreement does not adopt House report language for a comprehensive study of WIC-only stores.

NATIONAL AGRICULTURAL STATISTICS SERVICE

The conference agreement provides \$129,480,000 for the National Agricultural Statistics Service instead of \$128,661,000 as proposed by the House and \$130,299,000 as proposed by the Senate. The conferees provide an increase of \$2,681,000 for requested program initiatives for agricultural estimates. Also included in this amount is \$22,405,000 for the Census of Agriculture as proposed by the Senate, instead of \$22,520,000 as proposed by the House.

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

The conference agreement provides \$1,110,887,000 for the Agricultural Research Service, Salaries and Expenses, instead of \$1,057,029,000 as proposed by the House and \$1,090,261,000 as proposed by the Senate.

The conferees have agreed to increased funding for the following areas of research: Budgeted increases, as follows: Controlling Invasive Species, \$500,000; Genetic Resources, \$400,000; Genomics Research, \$1,200,000; Food Safety, \$4,313,000; Controlling Exotic/Emerging Diseases, \$3,217,000 of which \$800,000 is for soybean rust research at Ames, IA, and Beltsville, MD; Native Plant Disease Recovery System, \$1,800,000; Information Technology/Cyber Security, \$150,000; Library and Information Services, \$400,000; Obesity Epidemic and Promote a Healthier Lifestyle, \$500,000; and, Climate Change Research Initiative, \$519,000.

Further increases, as follows: Aflatoxin in Cotton, Phoenix, AZ, \$150,000; Agricultural Genome Bioinformatics, Ames, IA (Bioinformatics Institute for Model Plant Species), \$125,000;

Air Quality Research, Logan, UT (Utah State University), \$125,000; Animal Waste Treatment, Florence, SC, \$50,000; Appalachian Horticulture Research, Poplarville, MS (U TN / TN State), \$200,000; Aquaculture Initiative for Mid-Atlantic Highlands, Leetown, WV, \$100,000; Aquaculture Research (University of Idaho, Hagerman Fish Culture Exp. Station), \$125,000; Arbuscular Mycorrhizal Fungi (Rodale Institute), \$46,000; Arkansas Children's Nutrition Center, Little Rock, AR, \$125,000; Biological Control and Agriculture Research, Gainesville, FL, \$50,000; Biotechnology Research and Development Corporation, Peoria, IL, \$80,000; Bovine Genetics, Beltsville, MD (U CT/U IL), \$100,000; Catfish Genome, Auburn, AL, \$225,000; Central Great Plains Research Station, Akron, CO, \$50,000; Cereal Crops Research, Madison, WI, \$100,000; Cereal Disease Research, St. Paul, MN, \$25,000; Chronic Diseases of Children, Houston, TX (Baylor U / Peanut Institute), \$125,000; Citrus and Horticulture Research, Ft. Pierce, FL, \$125,000; Citrus Waste Utilization, Winter Haven, FL, \$42,124; Coffee and Cocoa Research, Miami, FL, and Beltsville, MD, \$200,000; Corn Germplasm, Ames, IA, \$150,000; Cotton Pathology Research, Shafter, CA, \$100,000; Cropping Systems Research (U TN / West TN Ag Experiment Station), \$75,000; Dairy Forage (Madison, WI) \$225,000; Delta Nutrition Intervention Initiative, Little Rock, AR (Southern U Center for Food Nutrition and Health Promotion), \$50,000; Food Fermentation Research, Raleigh, NC, \$100,000; Forage and Range Research (Logan, UT), \$125,000; Ft. Pierce Horticultural Research Laboratory (Ft. Pierce, FL), \$100,000; Foundry Sand By-products Utilization (Beltsville, MD), \$50,000; Golden Nematode (Ithaca, NY), \$50,000; Grand Forks Human Nutrition Lab (Grand Forks, ND), \$75,000; Grape Genetics (Geneva, NY), \$125,000; Grape Rootstock (Geneva, NY) \$150,000; Grapefruit Juice/Drug Interaction, Winter Haven, FL, \$3,708; Greenhouse and Hydroponics Research, Wooster, OH, \$25,000; Hides and Leather Research, Wyndmoor, PA, \$75,000;

Human Nutrition Research Center on Aging (Boston, MA) (Equipment), \$100,000; Improved Crop Production Practices, Auburn, AL, Auburn University, \$225,000; Improved Forage-Livestock Production, Lexington, KY, \$90,000; Livestock and Range Research (Ft. Keogh, MT), \$50,000; Mid-West / Mid-South Irrigation (Columbia, MO), \$26,728; National Cold Water Marine Aquaculture (Franklin, ME), \$50,000; Northern Plains Agricultural Research Lab (Sidney, MT), \$75,000; Noxious Weeds in the Desert Southwest (Las Cruces, NM), \$63,000; Nutrition Intervention, \$50,000; Obesity Research/Children's Nutrition Research Center (Houston, TX), \$175,000, and Human Nutrition Research on Aging (Boston, MA), \$125,000; Ogallala Aquifer (Bushland, TX), \$850,000; Organic Minor Crop Research (Salinas, CA), \$125,000; Pecan Scab Research (Byron, GA), \$100,000; Phytoestrogen Research, SRRC (Tulane / Xavier / U of Toledo), \$100,000; Poisonous Plant Research Laboratory (Logan, UT), \$225,000; Potato Storage (Madison, WI), \$1,593; Poult Enteritis-Mortality Syndrome (Athens, GA), \$50,000; Quantify Basin Water Budget Components in the Southwest (Tucson, AZ), \$125,000; Regional Grains Genotyping (Raleigh, NC), \$100,000; Residue Management in Sugarcane, Houma, LA, \$125,000; Salmonella, Listeria, E. coli, and other food pathogens (Wyndmoor, PA), \$199,931 (of which \$50,000 goes to Penn State) Seafood Waste, Fairbanks, AK (U of AK), \$160,000 (of which \$50,000 goes to ^{the State of} Alaska); Seismic and Acoustic Technologies and Soils (Oxford, MS), \$125,000; Sorghum Research (Bushland, TX), \$125,000; Southeastern Fruit and Tree Nut Research (Byron, GA), \$200,000; Soybean and Nitrogen Fixation (Raleigh, NC), \$100,000; Sudden Oak Disease / Sudden Oak Disease Syndrome (Ft. Detrick, MD / Davis, CA), \$200,000; Sugarbeet Research (Kimberly, ID), \$75,000; Sugarcane Variety Research (Canal Point, FL), \$175,000; Sustainable Viticulture Research (Davis, CA), \$50,000; Transmissible Spongiform Encephalopathies, \$225,000; Tree Fruit Quality Research (Wenatchee, WA),

\$175,000; Turfgrass Research (Beaver, WV), \$150,000; United States National Arboretum (Washington, D.C.), \$125,000; U.S. Pacific Basin Agricultural Research Center, Hilo, HI (Univ HI Manoa / Univ HI Hilo), \$125,000; Vaccines and Microbe Control for Fish Health (Auburn University), \$20,000; Verticillium Wilt (Salinas, CA), \$125,000; Waste Management Research, Bowling Green, KY (Western Kentucky University), \$137,500; and Wild Rice Research (St. Paul, MN), \$50,000.

The conference agreement continues the fiscal year 2004 level of funding for all research projects proposed to be terminated in the President's budget as provided in House Report 108-584 and Senate Report 108-340 accompanying the fiscal year 2005 Agriculture Appropriations bills, including the following at all locations: Aquaculture Density Research (Stuttgart, AR); Water Resources Management (Tifton, GA); Water Use Management Technology (Tifton, GA); Great Basins Rangeland (Boise, ID); Source Water Protection (West Lafayette, IN); Great Basins Rangeland (Reno, NV); Western Grazinglands (Reno, NV); and, Pasture Systems and Watershed Management (University Park, PA).

The conference agreement provides an increase of additional \$125,000 for the Children's Nutrition Research Center at Houston, TX, for a cooperative research project with Baylor College of Medicine and the Peanut Institute to examine ways to prevent the onset of chronic diseases and the growing problem of overweight children.

The conferees direct that a portion of the funding for grape rootstock should be allocated to support the ongoing grape industry research strategic planning process.

The conference agreement provides an increase of \$75,000 above the fiscal year 2004 level for the Grand Forks Human Nutrition Laboratory for a cooperative agreement with the

Northern Great Plains Research Laboratory, Mandan, ND, the University of North Dakota, and North Dakota State University on a healthy beef initiative.

The conferees note the growing concern raised by the soybean industry due to the threat of soybean rust. The conferees also note the recent announcement by the Department of Agriculture that soybean rust has now been confirmed in the United States. Soybean rust is a fungus that appears on the leaves of the plant and eventually causes premature defoliation which brings about substantial yield loss. The conferees encourage the Department to accelerate research on plant varieties that improve tolerance to soybean rust pathogens.

The conferees do not include funding for the development of a wine grape foundation block of certified "clean" rootstock in ARS. The conference agreement provides funding for this vital research in the Cooperative State Research, Education, and Extension Service account.

BUILDINGS AND FACILITIES

The conference agreement provides \$187,838,000 for the Agricultural Research Service, Buildings and Facilities, instead of \$202,000,000 as proposed by the House and \$172,838,000 as proposed by the Senate.

The following items reflect the conference agreement: National Center for Animal Health (Ames, Iowa), \$122,000,000; Grape Genomics Research Center (Davis, California), \$3,000,000; U.S. Agricultural Research Station (Salinas, California), \$3,000,000; U.S. Pacific Basin Agricultural Research Center (Hilo, Hawaii), \$3,000,000; Aquaculture Facility (Aberdeen/Bilingsley Creek, Idaho) \$1,000,000; National Center for Agricultural Utilization Research (Peoria, Illinois), \$3,000,000; Animal Waste Management Research Laboratory (Bowling Green, Kentucky), \$2,300,000; Forage-Animal Research Laboratory (Lexington, Kentucky) \$3,000,000; ARS Sugarcane Research Laboratory (Houma, Louisiana), \$3,000,000;

Northeast Marine Cold Water Aquaculture Research Center (Orono/ Franklin, Maine), \$3,000,000; Beltsville Agricultural Research Center (Beltsville, Maryland), \$3,000,000; Jamie Whitten Delta States Research Center (Stoneville, Mississippi), \$3,000,000; Poultry Science Research Facility (Starkville, Mississippi), \$3,000,000; National Plant and Genetics Security Center (Columbia, Missouri), \$5,000,000; Animal Bioscience Facility (Bozeman, Montana), \$2,000,000; Center for Grape Genetics (Geneva, New York), \$3,000,000; Center for Crop-based Health Genomics (Ithaca, New York), \$3,000,000; University of Toledo (Toledo, Ohio), \$2,000,000; Southern Plains Research Station (Woodward, Oklahoma), \$3,000,000; U.S. Vegetable Laboratory (Charleston, South Carolina), \$3,000,000; ARS Research Laboratory (Pullman, Washington), \$3,000,000; Appalachian Fruit Laboratory (Kearneysville, West Virginia), \$3,638,000; and, Nutrient Management Laboratory (Marshfield, Wisconsin), \$4,900,000.

The conferees note that there is widespread interest in additional construction and renovation of ARS facilities throughout the country. This is not surprising when considering the fact that many of the existing facilities are decades old. The conferees continue to believe that the ARS needs a master plan for addressing these needs. Until such a master plan can be developed, however, the Committees will not consider funding requests for projects for which a prospectus has not been completed and submitted to the Committees by March 1 of each year. Each prospectus shall, at a minimum, include the following information: the feasibility, requirements, and scope of the proposed project; details on building size, cost, associated facilities, scientific capacity, and other requirements; and details on existing and planned program and resource requirements. Further, the Committees strongly encourage the ARS to determine the merits and priority for these projects.

Conferees

The purpose and intent of the ARS Buildings and Facilities account is to provide new, replacement, and modernized Federal laboratories and facilities needed to carry out and strengthen ARS research and to protect the Government's significant investment in these Federal assets. As noted in House Report 108-584 and Senate Report 108-340, there has been widespread interest in additional construction and renovation of the Department's research facilities throughout the country. The conferees encourage ARS to consider the development of a master plan that deals with ARS programs and related buildings priorities. This will be useful to the Committees in assessing and determining ARS in-house laboratory requirements.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

The conference agreement provides \$660,781,000 for research and education activities instead of \$628,607,000 as proposed by the House and \$628,492,000 as proposed by the Senate.

The conference agreement includes bill language for the following items: West Virginia State University as proposed by the Senate instead of West Virginia State College as proposed by the House; and, \$500,000 for resident instruction grants for insular areas as proposed by the House.

The following table reflects the conference agreement:

Cooperative State Research, Education, and Extension Service
Research and Education Activities
(Dollars in Thousands)

	FY 2005 Conference
Hatch Act.....	\$180,148
McIntire Stennis Cooperative Forestry.....	22,384
Evans-Allen Program.....	37,000
National Research Initiative.....	181,000
Special Research Grants.....	136,564
Animal Health and Disease (Sec. 1433).....	5,098
1994 Institutions Research Program.....	1,087
Joe Skeen Institute for Rangeland Restoration (NM,TX,MT).....	1,000
Graduate Fellowship Grants.....	3,000
Institution Challenge Grants.....	5,500
Multicultural Scholars Program.....	998
Hispanic Education Partnership Grants.....	5,645
Secondary/2-year Post-secondary.....	1,000
Capacity Building Grants (1890 Institutions).....	12,411
Payments to the 1994 Institutions.....	2,250
Alaska Native-serving and Native Hawaiian-serving Education Grants.....	3,500
Resident Instruction Grants for Insular Areas.....	500
Subtotal.....	599,085
Federal Administration:	
Ag-based Industrial Lubricants (IA).....	527
Agriculture Development in the American Pacific.....	490
Agriculture Waste Utilization (WV).....	654
Agriculture Water Policy (GA).....	898
Alternative Fuels Characterization Laboratory (ND).....	284
Animal Waste Management (OK).....	298
Aquaculture (OH).....	853
Aquaculture (PA).....	222
Biotechnology Research (MS).....	667
Botanical Research (UT).....	896
Center for Agricultural and Rural Development (IA).....	600
Center for Food Industry Excellence (TX).....	874
Center for Innovative Food Technology (OH).....	1,154
Center for North American Studies (TX).....	1,000
Climate Forecasting (FL).....	3,631
Cotton Research (TX).....	2,500
Council for Agriculture Science and Technology (Funded thru SRG in FY 2004).....	150
Data Information System (REEIS).....	2,444
Dietary Intervention (OH) (Funded thru SRG in FY 2004).....	1,148
Electronic Grants Administration System.....	1,944

16a.

	FY 2005 Conference
Feed Efficiency (WV).....	152
Global Environmental Management (Funded thru NRCS in 2004).....	1,000
High Value Horticultural Crops (VA).....	572
Hispanic Leadership in Agriculture (TX) (Funded thru SRG in House)	550
Greenhouse Nurseries (OH).....	732
Income Enhancement Demonstration (OH) (Funded thru Extension in FY 2004).	731
Information Technology (GA).....	372
Livestock Marketing Information Center (CO).....	175
Mariculture (NC).....	320
Mississippi Valley State University, Curriculum Development.....	933
Monitoring Agricultural Sewage Sludge Application (OH).....	1,287
Office of Extramural Programs (Grants).....	401
Pasteurization of Shell Eggs (MI).....	1,247
Pay Costs and FERS.....	2,665
Peer Panels.....	312
Phytoremediation Plant Research (OH).....	785
PM-10 Study (WA) (moved from SRG in FY 2004).....	390
Precision Agriculture, Tennessee Valley Research Center (AL).....	604
Produce Pricing (AZ).....	76
Rural Systems (MS).....	311
Salmon Quality Standards (AK).....	167
Shrimp Aquaculture (AZ, HI, MS, MA, SC, LA, TX).....	3,973
Sustainable Agricultural Freshwater Conservation (TX).....	1,820
Urban Silviculture (NY).....	270
Vitis Gene Discovery (MO).....	608
Water Pollutants (WV).....	569
Water Quality (ND).....	443
Wetland Plants (WV).....	190
Total, Federal Administration.....	42,889
Other:	
Alternative Crops.....	1,196
Aquaculture Centers (Sec. 1475).....	4,000
Critical Agricultural Materials Act.....	1,111
Sustainable Agriculture.....	12,500
Total, Other.....	18,807
Total, Research and Education Activities.....	\$660,781

16b.

Cooperative State Research, Education, and Extension Service
Research and Education Activities
Special Research Grants
(Dollars in Thousands)

	<u>FY 2005</u> <u>Conference</u>
Advanced Genetic Technologies (KY).....	\$650
Advanced Spatial Technologies (MS).....	943
Aegilops Cylindricum (Jointed Goatgrass) (WA).....	358
Agricultural Diversification (HI).....	113
Agricultural Diversity/Red River Corridor (MN, ND).....	597
Agriculture Science (OH).....	547
Agriculture Water Usage (GA).....	260
Agroecology (MD).....	390
Air Quality (TX).....	1,074
Alliance for Food Protection (NE, GA).....	316
Alternative Nutrient Management (VT).....	174
Alternative Salmon Products (AK).....	1,108
Alternative Uses for Tobacco (MD).....	335
Animal Disease Research (WY).....	336
Animal Science Food Safety Consortium (AR, KS, IA).....	1,444
Apple Fireblight (MI, NY).....	483
Aquaculture (AR).....	207
Aquaculture (WA, ID).....	770
Aquaculture (LA).....	332
Aquaculture (MS).....	521
Aquaculture (NC).....	280
Aquaculture (VA).....	190
Aquaculture Product and Marketing Development (WV).....	711
Armiliaria Root Rot (MI).....	151
Asparagus Technology and Production (WA).....	250
Babcock Institute (WI).....	569
Beef Technology Transfer (MO).....	261
Berry Research (AK).....	1,790
Biobased Nanocomposite Research (ND).....	178
Biomass-based Energy Research (OK, MS).....	1,023
Biotechnology (NC).....	289
Biotechnology Test Production (IA).....	469
Bovine Tuberculosis (MI).....	355
Brucellosis Vaccine (MT).....	444
Center for Public Lands and Rural Economies (UT).....	225
Center for Rural Studies (VT).....	351
Chesapeake Bay Agroecology (MD).....	317
Childhood Obesity and Nutrition (VT).....	192
Citrus Canker (FL).....	474
Citrus Tristeza (WA).....	697

16c.

	FY 2005 Conference
Competitiveness of Agricultural Products (WA).....	652
Computational Agriculture (NY).....	241
Cool Season Legume Research (ID, WA).....	569
Cotton Fiber Quality (GA).....	474
Cranberry/Blueberry (MA).....	153
Cranberry/Blueberry Disease and Breeding (NJ).....	355
Crop Integration and Production (SD).....	297
Crop Diversification Center (MO).....	378
Crop Pathogens (NC).....	253
Dairy and Meat Goat Research (TX).....	100
Dairy Farm Profitability (PA).....	472
Delta Rural Revitalization (MS).....	246
Designing Foods for Health (TX).....	1,624
Diaprepes/Root Weevil (FL).....	450
Drought Mitigation (NE).....	213
Drought Management (UT).....	786
Efficient Irrigation (NM, TX).....	1,500
Environmental Biotechnology (RI).....	617
Environmental Research (NY).....	376
Environmental Risk Factors/Cancer (NY).....	219
Environmentally Safe Products (VT).....	746
Ethnobotany Research (AK).....	284
Exotic Pest Diseases (CA).....	1,945
Expanded Wheat Pasture (OK).....	275
Farm Injuries and Illnesses (NC).....	299
Feed Barley for Rangeland Cattle (MT).....	741
Feed Efficiency in Cattle (FL).....	297
Feedstock Conversion (SD).....	673
Fish and Shellfish Technologies (VA)	457
Food Chain Economic Analysis (IA).....	419
Floriculture (HI)	355
Food and Agriculture Policy Research Institute (IA, MO).....	1,549
Food Marketing Policy Center (CT).....	584
Food Quality (AK).....	344
Food Safety (AL).....	1,100
Food Safety (OK, ME).....	556
Food Safety (TX).....	189
Food Safety Research Consortium.....	900
Food Safety Risk Assessment (ND).....	1,377
Food Security (WA).....	401
Food Systems Research Group (WI).....	521
Forages for Advancing Livestock Production (KY).....	393
Forestry (AR).....	465
Fruit/Vegetable Market Analysis (AZ/MO).....	326
Functional Genomics (UT).....	1,484
Future Foods (IL).....	549

16d.

	FY 2005
	<u>Conference</u>
Generic Commodity Promotions, Research and Evaluation (NY).....	192
Genomics (MS).....	890
Geographic Information System.....	1,716
Global Change.....	2,000
Grain Sorghum (KS).....	137
Grapefruit Juice/Drug Interaction (FL).....	347
Grass Seed Cropping for Sustainable Agriculture (WA, OR, ID).....	454
Grazing Research (WI).....	262
Greenhouse Crop Production (AK).....	449
Horn Fly Research (AL).....	167
Human Nutrition (IA).....	655
Human Nutrition (LA).....	712
Human Nutrition (NY).....	585
Hydroponic Tomato Production (OH).....	180
Illinois-Missouri Alliance for Biotechnology.....	1,179
Improved Dairy Management Practices (PA).....	355
Improved Fruit Practices (MI).....	212
Increasing Shelf Life of Agricultural Commodities (ID).....	829
Infectious Disease Research (CO).....	784
Institute for Biobased Products and Food Science (MT).....	567
Institute for Food Science and Engineering (AR).....	1,119
Integrated Production Systems (OK).....	207
International Arid Lands Consortium (AZ).....	584
Iowa Biotechnology Consortium.....	1,789
Leopold Center Hypoxia Project (IA).....	224
Livestock and Dairy Policy (NY, TX).....	900
Livestock Genome Sequencing (IL).....	821
Livestock Waste (IA).....	268
Lowbush Blueberry Research (ME).....	236
Maple Research (VT).....	133
Meadow Foam (OR).....	262
Michigan Biotechnology Consortium.....	559
Midwest Advanced Food Manufacturing Alliance (NE).....	528
Midwest Agricultural Products (IA).....	617
Midwest Poultry Consortium (IA).....	688
Milk Safety (PA).....	709
Minor Use Animal Drugs.....	588
Molluscan Shellfish (OR).....	351
Montana Sheep Institute.....	574
Multi-commodity Research (OR).....	356
Multi-cropping Strategies for Aquaculture (HI).....	110
National Beef Cattle Genetic Evaluation Consortium (NY).....	786
National Biological Impact Assessment Program (VA).....	253
National Center for Soybean Technology (MO).....	948
Nematode Resistance Genetic Engineering (NM).....	140
Nevada Arid Rangelands Initiative (NV).....	484

16e.

	FY 2005
	<u>Conference</u>
New Crop Opportunities (AK).....	447
New Crop Opportunities (KY).....	730
Nursery, Greenhouse, Turf Specialties (AL).....	275
Oil Resources from Desert Plants (NM).....	213
Organic Cropping (WA).....	362
Organic Waste Utilization (NM).....	94
Oyster Post Harvest Treatment (FL).....	450
Ozone Air Quality (CA).....	404
Pasture and Forage Research (UT).....	225
Peach Tree Short Life (SC).....	267
Perennial Wheat (WA).....	142
Pest Control Alternatives (SC).....	271
Phytophthora Root Rot (NM).....	183
Pierce's Disease (CA).....	2,088
Plant, Drought, and Disease Resistance Gene Cataloging (NM).....	235
Potato Research.....	1,509
Precision Agriculture (KY).....	680
Preharvest Food Safety (KS).....	193
Preservation and Processing Research (OK).....	200
Protein Utilization (IA).....	811
Rangeland Ecosystems (NM).....	284
Regional Barley Gene Mapping Project (OR).....	688
Regionalized Implications of Farm Programs (MO, TX).....	766
Rice Agronomy (MO).....	214
Ruminant Nutrition (MT, ND, SD, WY).....	474
Rural Development Centers (LA, ND).....	232
Rural Obesity (NY).....	189
Rural Policies Institute (NE, IA, MO).....	1,215
Russian Wheat Aphid (CO).....	292
Seafood Harvesting, Processing and Marketing (AK).....	1,067
Seafood and Aquaculture Harvesting, Processing and Marketing (MS)..	269
Seafood Safety (MA).....	439
Seed Research (AK).....	358
Seed Technology (SD).....	357
Small Fruit Research (OR, WA, ID).....	425
Soil and Environmental Quality (DE).....	283
Southwest Consortium for Plant Genetics and Water Resources (NM)...	376
Soybean Cyst Nematode (MO).....	708
Soybean Research (IL).....	963
STEEP III -- Water Quality in Northwest.....	645
Sudden Oak Death (CA).....	94
Sustainable Agriculture (CA).....	519
Sustainable Agriculture (MI).....	387
Sustainable Agriculture and Natural Resources (PA).....	192
Sustainable Beef Supply (MT).....	945
Sustainable Engineered Materials from Renewable Sources (VA).....	608

	FY 2005
	<u>Conference</u>
Swine and Other Animal Waste Management (NC).....	470
Tick Borne Disease Prevention (RI).....	144
Tillage, Silviculture, Waste Management (LA).....	428
Tri-state Joint Peanut Research (AL).....	567
Tropical Aquaculture (FL).....	213
Tropical and Subtropical Research/T-Star.....	9,474
Uniform Farm Management Program (MN).....	283
Value-added Product Development from Agricultural Resources (MT)..	408
Virtual Plant Database Enhancement Project (MO).....	711
Viticulture Consortium (NY, CA, PA).....	1,850
Water Conservation, (KS).....	75
Water Use Efficiency and Water Quality Enhancements (GA).....	474
Weed Control (ND).....	387
West Nile Virus (IL).....	500
Wetland Plants (LA).....	567
Wheat Genetic Research (KS).....	246
Wheat Sawfly Research (MT).....	525
Wine Grape Foundation Block (WA).....	325
Wood Utilization (OR, MS, NC, MN, ME, MI, ID, TN, AK, WV).....	6,285
Wool Research (TX, MT, WY).....	300
Subtotal, Special Research Grants.....	121,284
Improved Pest Control:	
Expert IPM Decision Support System.....	158
Integrated Pest Management.....	2,439
Minor Crop Pest Management (IR-4).....	11,235
Pest Management Alternatives.....	1,448
Total, Improved Pest Control.....	15,280
Total, Special Research Grants.....	<u>\$136,564</u>

169.

The conference agreement provides \$3,000,000 for Graduate Fellowship Grants instead of \$4,500,000 as proposed by the House, and \$2,883,000 as proposed by the Senate.

The conference agreement provides \$5,645,000 for Hispanic Education Partnership Grants as proposed by the House instead of \$4,645,000 as proposed by the Senate.

The conference agreement provides \$1,148,000 for Dietary Intervention in Ohio. Of this amount, \$735,000 is provided for Ohio State University and \$413,000 is for the University of Toledo.

The conference agreement provides \$316,000 for the Alliance for Food Protection. Of this amount, \$158,000 shall be used to continue integrated fruit and vegetable research at the University of Georgia.

The conference agreement provides \$1,108,000 for alternative salmon products research. Of this amount, \$443,000 shall be used to continue research into and development of baby food containing salmon.

The conference agreement provides \$1,549,000 for the Food and Agriculture Policy Research Institute. Of that amount, \$79,000 shall be used to fund the Center for Agricultural and Trade Policies for the Northern Plains Region at North Dakota State University.

The conference agreement provides \$1,790,000 for berry research. Of this amount, \$1,400,000 shall be used for nutraceutical research at the University of Alaska-Fairbanks.

The conference agreement provides \$528,000 for the Midwest Advanced Food Marketing Alliance in Nebraska. Of this amount, \$98,000 shall be used for food allergens research to be conducted at the University of Nebraska-Lincoln Food Allergy Research & Resource Program.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

The conference agreement provides \$12,000,000 for the Native American Institutions Endowment Fund as proposed by both the House and Senate.

EXTENSION ACTIVITIES

The conference agreement provides \$449,225,000 for extension activities instead of \$440,349,000 as proposed by the House and \$443,061,000 as proposed by the Senate.

The conference agreement includes bill language for the following: West Virginia State University as proposed by the Senate instead of West Virginia State College as proposed by the House; \$1,981,000 for payments for rural health and safety education as proposed by the Senate; and, \$2,667,000 for grants to youth organizations as proposed by the Senate.

The following table reflects the conference agreement:

Cooperative State Research, Education, and Extension Service
Extension Activities
(Dollars in Thousands)

FY 2005
Conference

Smith-Lever Sections 3(b) and 3(c).....	\$277,742
Smith-Lever Section 3(d):	
Farm Safety.....	4,600
Food and Nutrition Education (EFNEP).....	58,909
Indian Reservation Agents.....	1,774
Pest Management.....	10,000
Sustainable Agriculture.....	4,100
Youth at Risk.....	7,538
Youth Farm Safety Education and Certification.....	444
Total Section 3(d) Programs.....	87,365
1890 Colleges and Tuskegee.....	33,133
1890 Facilities Grants (Sec. 1447).....	16,912
Renewable Resources Extension Act (RREA).....	4,093
Rural Health and Safety Education.....	1,981
Extension Services at the 1994 Institutions.....	3,273
Grants to Youth Organizations.....	2,667
Subtotal.....	427,166
Federal Administration and Special Grants:	
Ag in the Classroom.....	736
Agricultural and Entrepreneurship Education (WI).....	241
Alabama Beef Connection.....	393
Beef Producers Improvement (AR).....	182
Conservation Technology Transfer (WI).....	467
Dairy Education (IA).....	231
Dairy Industry Revitalization (WI).....	300
Diabetes Detection, Prevention (WA).....	1,093
E-commerce (MS).....	334
Efficient Irrigation (NM, TX).....	2,179
Entrepreneurial Alternatives (PA).....	336
Extension Specialist (MS).....	133
Food Animal Residue Avoidance Database (FARAD)...	812
Food Preparation and Marketing (AK).....	334
Food Product Development (AK).....	476
General Administration.....	5,842
Health Education Leadership (KY).....	850
Iowa Vitality Center.....	250

18a

	FY 2005
	<u>Conference</u>
National Center for Agriculture Safety (IA).....	243
National Wild Turkey Federation.....	225
Nursery Production (RI).....	297
Nutrition Enhancement (WI).....	973
Ohio-Israel Agriculture Initiative.....	569
Oquirrh Institute.....	284
Pilot Technology Transfer (OK, MS).....	300
Pilot Technology Transfer (WI).....	233
Potato Pest Management (WI).....	379
Range Improvement (NM).....	234
Resilient Communities (NY).....	131
Rural Business Enhancement (WI).....	190
Rural Development (AK).....	688
Rural Development (NM).....	351
Rural Technologies (HI, WI).....	312
Urban Horticulture (WI).....	817
Urban Market Development (NY).....	275
Web-based Agriculture Classes (MO).....	179
Wood Biomass as an Alternative Farm Product (NY)....	190
Total, Federal Administration.....	<u>22,059</u>
Total, Extension Activities.....	<u>\$449,225</u>

Within funds provided for the farm safety program, the conference agreement includes \$4,600,000 for the AgrAbility project as proposed by the House instead of \$3,312,000 as proposed by the Senate.

The conference agreement provides \$736,000 for Ag in the Classroom. Of that amount, no less than \$125,000 shall be used to expand efforts in Illinois to promote consumption of healthy foods and proper school nutrition.

The conference agreement provides \$973,000 for nutrition enhancement. Of this amount, \$25,000 shall be used for a cooperative agreement with the Research Institute of Family Health and Wellness at Marywood University in Scranton, Pennsylvania.

INTEGRATED ACTIVITIES

The conference agreement provides \$55,153,000 for integrated activities instead of \$66,255,000 as proposed by the House and \$57,242,000 as proposed by the Senate.

The following table reflects the conference agreement:

Cooperative State Research, Education, and Extension Service
Integrated Activities
(Dollars in Thousands)

FY 2005
Conference

Water Quality.....	\$12,971
Food Safety.....	14,967
Regional Pest Management Centers.....	4,200
Crops at Risk from FQPA Implementation.....	1,400
FQPA Risk Mitigation Program for Major Food Crop Systems...	4,500
Methyl Bromide Transition Program.....	3,131
Organic Transition Program.....	1,889
International Science and Education Grants Program.....	1,000
Critical Issues Program.....	750
Regional Rural Development Centers Program.....	1,345
Homeland Security, Food and Agriculture Defense Initiative.....	9,000
Total, Integrated Activities.....	<u>\$55,153</u>

19a.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

The conference agreement provides \$5,935,000 for Outreach for Socially Disadvantaged Farmers as proposed by both the House and Senate.

OFFICE OF THE UNDER SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

The conference agreement provides \$721,000 for the Office of the Under Secretary for Marketing and Regulatory Programs as proposed by the House instead of \$733,000 as proposed by the Senate.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

The conference agreement provides \$814,623,000 for the Animal and Plant Health Inspection Service (APHIS) instead of \$831,823,000 as proposed by the House and \$786,866,000 as proposed by the Senate.

The conferees direct that projects identified in House Report 108-193, Senate Report 108-107, and House Report 108-401 that were directed to be funded in fiscal year 2004 are not funded for fiscal year 2005 unless specifically mentioned in this conference report and the reports of the House and Senate that accompany this Act. Further, the conferees direct APHIS not to redirect funding for programs and activities without prior notification to and approval by the House and Senate Committees on Appropriations in accordance with the reprogramming procedures specified in this Act.

The following table reflects the conference agreement:

Animal and Plant Health Inspection Service
[In Thousands of Dollars]

<u>Program</u>	<u>Conference Recommendation</u>
Pest and Disease Exclusion:	
Agricultural quarantine inspection.....	25,292
Cattle ticks.....	6,720
Foreign animal diseases/FMD.....	8,740
Fruit fly exclusion and detection.....	58,343
Import-export inspection.....	12,874
Screwworm.....	27,374
Trade issues resolution management.....	12,578
<u>Tropical bont tick.....</u>	<u>425</u>
Total, Pest and Disease Exclusion	152,346
Plant and Animal Health Monitoring:	
Animal health monitoring & surveillance.....	145,082
Animal and plant health regulatory enforcement.....	9,382
Bio Surveillance.....	2,000
Emergency management systems.....	12,968
<u>Pest detection.....</u>	<u>27,132</u>
Total, Plant & Animal Health Monitoring	196,564
Pest and Disease Management:	
Aquaculture.....	1,255
Biological control.....	9,429
Boll weevil.....	47,500
Brucellosis.....	10,356
Chronic wasting disease.....	18,839
Emerging plant pests.....	101,567
Golden nematode.....	801
Grasshopper and Mormon cricket.....	5,528
Gypsy moth.....	4,768
Imported fire ant	2,148
Johnes disease.....	18,740
Low pathogen avian influenza.....	23,000
Noxious weeds.....	1,991
Pink bollworm.....	2,150
Plum pox.....	3,471
Pseudorabies.....	4,350

Scrapie.....	17,768
Tuberculosis.....	14,937
Wildlife services operations.....	73,756
Witchweed.....	<u>1,523</u>
Total, Pest and Disease Management	363,877
Animal Care:	
Animal welfare.....	16,618
Horse protection.....	<u>497</u>
Total, Animal Care	17,115
Scientific and Technical Services:	
Biosecurity.....	1,988
Information technology infrastructure.....	4,589
Biotechnology regulatory services.....	9,504
Environmental Compliance.....	2,624
Plant methods development labs.....	8,381
Veterinary biologics.....	15,513
Veterinary diagnostics.....	20,575
Wildlife services methods development.....	<u>17,428</u>
Total, Scientific and Technical Services	80,602
Contingency fund.....	4,119
Physical security.....	0
Total, Salaries and Expenses	<u><u>814,623</u></u>

20b.

The conferees provide the following increases in the APHIS salaries and expenses account for new and enhanced activities related to the Food and Agriculture Defense Initiative: \$33,197,000 for a national animal identification program, \$3,600,000 for state cooperative agreements, \$2,000,000 for biosurveillance, \$2,500,000 for the control of select agents, \$2,303,000 for the National Veterinary Vaccine Bank, \$8,641,000 for BSE testing, and \$2,900,000 for the national animal laboratory network.

Animal and Health Monitoring and Surveillance.—The conference agreement includes \$145,082,000 for Animal Health Monitoring and surveillance. Within that amount, the conference agreement provides an increase of \$33,197,000 for the National Animal Identification System (NAIS) and includes bill language naming the amount and requiring a report on the system components. The conferees note that, in addition, the Secretary transferred \$18,792,997 from the Commodity Credit Corporation for animal identification in April 2004.

The conference agreement includes not less than \$2,000,000 for a cooperative agreement with the Wisconsin Department of Agriculture, Trade and Consumer Protection to continue work carried out by the Wisconsin Livestock Identification Consortium.

The conferees provide \$600,000 for the Farm Animal Identification and Records (FAIR) program. Both the Wisconsin consortium and the FAIR project should also be eligible to apply for additional cooperative agreement funding for animal identification, which is funded within the NAIS total.

The conference agreement provides the full increase requested, \$8,641,000 over the fiscal year 2004 level, for activities related to Bovine Spongiform Encephalopathy (BSE). In addition, the conferees note that the Department has available \$69,900,000, which the Secretary

transferred in March 2004 from the Commodity Credit Corporation (CCC) to fund an intensive BSE surveillance and testing program. That funding will allow APHIS to conduct testing for approximately 268,000 animals within a 12 to 18 month period starting June 1, 2004; as of November 9, 2004, APHIS has tested 106,484 cattle. The conferees note that the CCC-transferred amount will cover all BSE testing during that timeframe.

The conference agreement includes: \$300,000 to assist in creating a database of North Carolina's agriculture industry for rapid response capabilities; funding of the New Mexico Rapid Syndrome Validation Program at \$450,000 to support early detection of pathogens in animals and prevent their spread; \$300,000 for Iowa State's work regarding risk assessments of genetically modified agricultural products; \$746,000 for an alkaline digester for the Ohio Agriculture Research and Development Center in Wooster, Ohio; \$298,000 to address bio-safety [^]and issues relating to antibiotic-resistant strains of bacteria in Vermont.

The conference agreement includes increases of \$3,600,000 for cooperative agreements with states and \$1,900,000 for cooperative agreements as part of the National Animal Health Laboratory Network.

Import-Export Inspection.--The conferees provide \$12,874,000 for import-export inspection, including an increase of \$1,000,000 for select agents, and an increase of \$500,000 for a cooperative agreement with the California County Pest Detection Augmentation Program.

Emerging Plant Pests.-- The conference agreement includes an increase of \$8,469,000 above the amount available in fiscal year 2004. The conferees provide \$36,578,000 for citrus canker eradication; \$23,190,000 for Pierce's Disease/Glassy-winged sharpshooter; \$5,000,000 for Emerald Ash borer; \$3,000,000 for Sudden Oak Death; and \$29,168,000 for the Asian long-horned beetle. The conferees provide \$100,000 of funding for hydrilla eradication around Smith

Mountain Lake in Virginia, and Lake Gaston in Virginia and North Carolina. Funding for Karnal bunt, olive fruit fly, and miscellaneous pests continue at the fiscal year 2004 level.

The conferees expect the Secretary to utilize authorities and resources of the Commodity Credit Corporation (CCC) to provide assistance in response to animal and plant health threats¹⁰ and to allow compensation to certain producers for losses sustained in connection with these threats.

Johne's Disease.--The conference agreement provides \$18,740,000 for Johne's Disease. From within that amount, the conference agreement provides the fiscal year 2004 funding level to continue cooperative agreements with the Wisconsin Department of Agriculture, Trade and Consumer Protection.

Low Pathogenic Avian Influenza.--The conferees provide \$23,000,000 for activities relating to the prevention, control, and eradication of Low Pathogenic Avian Influenza (LPAI) to remain available until expended. Within the total amount, \$12,000,000 is for indemnities, \$3,000,000 is for surveillance activities, up to \$2,000,000 is for reagents and costs of administering tests, and up to \$2,000,000 is for live bird market closure for disinfection, as needed. Full funding for other LPAI activities that were included in the budget request is included in the total. The conferees are concerned that LPAI, which appears to be endemic in certain live bird markets in urban areas, could mutate into highly pathogenic forms. To prevent this from happening, a robust surveillance and control system in both commercial poultry industries and live bird markets is important. The conferees believe that industry cooperation and program fairness will be maximized through the indemnification of losses.

Wildlife Services Operations.--The conferees direct that, other than funding for the specific items noted in this statement, the funds provided in the Wildlife Services Operations line item are available for general operations needs.

The conferees do not concur with the President's request to reduce funding in the Wildlife Services account to allow cooperators to assume a larger share of the costs associated with these activities.

The conferees provide \$1,215,000 for wolf predation management, of which \$1,065,000 is for Wisconsin, Minnesota, and Michigan, and \$150,000 is for New Mexico and Arizona. The conference agreement does not include separate funding for Minnesota, as proposed by the House.

The conference agreement continues funding for the following projects: \$300,000 for beaver management in North Carolina; \$250,000 for crop and aquaculture losses in southwest Missouri; \$625,000 for game bird predation work with the University of Georgia; \$100,000 for predation wildlife services in western Virginia; \$120,000 for blackbird control in Louisiana; \$1,300,000 for predator control programs in Montana, Idaho, and Wyoming; \$1,000,000 for wildlife services in Texas; \$150,000 for beaver management and damage in Wisconsin; \$515,000 for brown tree snake management in Guam; \$310,000 for Hawaii and Guam operations; \$300,000 for sandhill cranes in Idaho; \$50,000 for control of feral hogs in Missouri; \$1,000,000 for cormorant control in New York; and \$150,000 for cormorant control in Michigan; \$100,000 for cormorant control in the Lake Champlain basin; \$750,000 for wildlife service operations with the South Dakota Department of Game, Fish, and Parks to meet the growing demands of controlling predatory, nuisance, and diseased animals; \$550,000 for the management of beavers in Mississippi; \$335,000 to continue control measures for minimizing

blackbird damage to sunflowers in North Dakota and \$33,000 for those purposes in South Dakota; \$120,000 for blackbird management efforts in Louisiana; \$174,000 for Kansas blackbird control; \$247,000 for the Jack Berryman Institute, Utah; \$199,000 for beaver control in Kentucky; ~~\$150,000 for beaver control in Wisconsin~~; \$325,000 for Delta states operations; \$199,000 for geese control in New York; \$249,000 for the New Hampshire State operations; and \$474,000 for the Nevada Division of Wildlife. The conferees do not provide \$50,000 for the Cooperative Livestock Protection Program in Pennsylvania as proposed by the Senate.

The conference agreement includes \$21,850,000 for a cooperative oral rabies vaccination program. This amount includes an increase of \$1,000,000, of which not less than \$420,000 is directed to go to the state of Florida for bait and related costs.

Emergency management systems.—The conference agreement includes \$12,968,000 for emergency management systems, which includes a total of \$4,000,000 for emergency coordinators and a total of \$3,000,000 to establish a vaccine bank.

Pest Detection.—The conference agreement includes \$1,500,000 for select agents, \$200,000 for a remote sensing, hyperspectral imaging and light detection and ranging project; and an increase of \$1,000,000 for surveys through the Cooperative Agricultural Pest Surveys system.

Chronic wasting disease.-- For chronic wasting disease, the conferees provide \$18,839,000. The conferees direct that of this amount \$1,750,000 is for Wisconsin and \$250,000 is for Alaska. Funding for Wisconsin, Utah, and the Conservation Medicine Center of Chicago should remain at fiscal year 2004 levels.

Veterinary Diagnostics.--The conferees provide an increase of \$1,000,000 for the National Animal Health Laboratory Network, as requested. The conferees do not continue ^{the} funding for equipment needs. *recommended in the Senate report*

Wildlife Services Methods Development.--The conference agreement includes \$17,428,000 for wildlife services methods development. Within that amount, the conferees provide \$400,000 in funding for the National Wildlife Research Station in Kingsville, Texas, to address emerging infectious disease issues associated with wildlife populations; \$498,000 for the Jack Berryman Institute, Utah, for addressing wildlife damage management issues; and \$352,000 to continue research efforts at the National Wildlife Research Center field station in Starkville, MS, for resolving problems regarding bird damage to aquaculture farms in the Southeast.

Agricultural Quarantine Inspection.--For fiscal year 2005, the conferees provide \$25,292,000 for the AQI appropriated account to conduct preclearance quarantine inspections ^{of} ~~persons, baggage, cargo, and other articles destined for movement from Hawaii to the continental~~ United States, Guam, Puerto Rico, or the United States Virgin Islands. The conferees have included the fiscal year 2004 funding level for interline activities in Hawaii as proposed by the Senate, ² ~~assumes~~ the reduction of \$1,246,000 due to one-time equipment purchases, and provides ^e an increase of \$490,000 for the National Germplasm Laboratory.

Boll Weevil Eradication.--The conferees provide \$47,500,000 for fiscal year 2005 to continue the Boll Weevil Eradication Program, as proposed by the Senate instead of \$47,000,000 as proposed by the House.

Brucellosis.--The conferees provide an increase of \$114,000 above the fiscal year 2004 level for the brucellosis program. This amount continues funding at the fiscal year 2004 level for

Montana to protect the State's brucellosis-free status and for the operation of the bison quarantine facility and the testing of bison that surround Yellowstone National Park.

Noxious Weeds.--The conferees provide \$1,991,000 for the noxious weeds account. This amount includes \$199,000 for the Nez Perce Bio-control Center to increase the availability and distribution of biological control organisms used in an integrated weed management system, and \$298,000 for the Kiski Basin Initiative.

The conference agreement provides continued funding at the fiscal year 2004 level, \$248,000, for an invasive species program to prevent the spread of cogongrass in Mississippi, and requests that the agency take necessary steps to address this invasive weed as a regional infestation problem.

Fruit fly exclusion and detection.—The conferees include \$58,343,000 for fruit fly exclusion and detection, a \$1,000,000 increase over the fiscal year 2004 level. Of the increase, \$100,000 is for Texas.

Grasshopper and mormon cricket.—The conference agreement includes \$5,528,000 for grasshopper and mormon cricket control. Of this amount, no less than \$1,000,000 is for activities in Utah and funding for Nevada is at no less than the fiscal year 2004 level for survey, control and eradication activities.

Pierce's Disease/Glassy-winged Sharpshooter—The conferees strongly object to the recent decision of the Office of Management and Budget (OMB) to deny funding that the Secretary identified as necessary to combat the glassy-winged sharpshooter and to contain Pierce's Disease. The conferees note that OMB's decision to deny this funding has needlessly increased the serious threat posed by Pierce's Disease to California's multi-billion dollar wine and grape industries, constituted an unwelcome intrusion upon the Secretary's exercise of

discretion, and was in total disregard of the fact that 33 Members of Congress supported the Secretary's request for these funds. The conferees further note that OMB's decision in this matter contradicted the direction provided to OMB by Congress in fiscal year 2004 to "disregard any arbitrarily imposed cost-share requirements." Accordingly, the conferees strongly encourage OMB to approve the \$5.2 million USDA requested for efforts to combat Pierce's Disease.

The conferees recognize the work conducted in Texas related to the glassy-winged sharpshooter, and direct the Department to continue this work.

Vine Mealy Bug.--The conferees are concerned about the effect of the vine mealy bug (*Planoccocus ficus*) on grapes. Over 900,000 acres of grapes are threatened by this pest. The conferees encourage APHIS to appropriately address this emerging threat through the funds available to the agency.

The conferees direct the agency to initiate a cooperative agreement with the Louisiana Department of Wildlife and Fisheries for development of diagnostics related to disease affecting the domestic alligator industry.

The conferees have included language under the Office of the Secretary to address concerns that the veterinary diagnostic work conducted at Plum Island, New York, remains focused on agriculture.

BUILDINGS AND FACILITIES

The conference agreement provides \$4,967,000 for Animal and Plant Health Inspection Service Buildings and Facilities as proposed by the Senate instead of \$4,996,000 as proposed by the House.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

The conference agreement provides \$75,698,000 for the Agricultural Marketing Service instead of \$75,892,000 as proposed by the House and \$78,198,000 as proposed by the Senate.

The conferees do not include Senate bill language or funding under this section for a web-based supply chain management system, but the conference agreement does provide funding for this system under the Section 32 account. 6

The conferees provide \$2,000,000 for activities relating to organic standards. The conferees continue to encourage AMS to use this funding to finalize the hiring of an executive director for the National Organic Standards Board (NOSB), to create a Peer Review Panel to oversee the USDA accreditation process for organic certifiers, and to improve scientific technical support for the NOSB. The conferees also encourage AMS to regularly collect and report agricultural price trends in the organic industry.

LIMITATION ON ADMINISTRATIVE EXPENSES

The conference agreement provides \$64,459,000 as proposed by both the House and Senate.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

The conference agreement provides \$15,800,000 for Funds for Strengthening Markets, Income, and Supply as proposed by the House and Senate.

The conferees are aware that farmed salmon imports have undercut the market for Alaska wild salmon creating a domestic surplus of wild pink salmon. The conferees encourage the Department to use all existing authorities under the Section 32 program to purchase surplus domestic salmon and stabilize the domestic salmon industry. The conferees are aware that 6

section 32 funds have been used to assist food producers affected by adverse market conditions caused by an imbalance of supply and demand.

The conferees strongly encourage the Department to begin development of the Web-based Supply Chain Management System, which will benefit the programs of the Agricultural Marketing Service, the Farm Service Agency, and the Food and Nutrition Service, as well as enhancing food distribution to schools and other feeding outlets. Administrative expenses to support Section 32 purposes are expressly allowed, and Section 32 funds, accordingly, should be used to fund support computer systems. The conferees believe that all of the cost of the Web-based Supply Chain Management System should be financed from Section 32, and suggest that the first phase of the system be funded at no less than \$10,000,000, as included in the Commodity Purchase Support line in the following table.

~~Page break~~

should

~~ESTIMATED TOTAL FUNDS AVAILABLE~~
~~AND BALANCE CARRIED FORWARD~~
~~FISCAL YEARS 2004-2005~~

SECTION 32

FY 2005
Conference

Appropriation (30% of Customs Receipts)	\$6,030,964,691
Less Transfers:	
Food and Nutrition Service	-5,152,962,000
Commerce Department	-77,538,934
Total, Transfers	<u>-5,230,500,934</u>
Budget Authority	800,463,757
Unobligated Balance Available, Start of Year	408,050,634
Recoveries of Prior Year Obligations	0
Rescission	- 163,000,000
Available for Obligation	<u>1,045,514,391</u>
Less Obligations:	
Commodity Procurement:	
Child Nutrition Programs (Entitlement Commodities)	400,000,000
State Option Contract	5,000,000
Removal of Defective Commodities	1,000,000
Emergency Surplus Removal	73,865,287
Disaster Relief	332,202,000
Estimated Future Needs	196,415,104
Total, Commodity Procurement	<u>1,008,482,391</u>
Administrative Funds:	
Commodity Purchase Support	21,232,000
Marketing Agreements and Orders	15,800,000
Total, Administrative Funds	<u>37,032,000</u>
Total Obligations	<u>1,045,514,391</u>
Unobligated Balance Available, End of Year	<u><u>0</u></u>

30a.

PAYMENTS TO STATES AND POSSESSIONS

The conference agreement provides \$3,847,000 for Payments to States and Possessions as proposed by the Senate instead of \$1,347,000 as proposed by the House.

The conference agreement includes bill language and funding for a specialty markets grant as proposed by the Senate.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement provides \$37,299,000 for the Grain Inspection, Packers and Stockyards Administration as proposed by the Senate instead of \$37,540,000 as proposed by the House.

The conference agreement provides an increase of \$1,000,000 for budgeted increases including IT security and BSE-related activities.

The conference agreement includes \$500,000 to continue the product verification protocols pilot program, in conjunction with the Missouri, Illinois, and Iowa Corn Growers Associations. The pilot program is to establish controls for regulated seed varieties and augment grain marketing.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

The conference agreement provides \$42,463,000 as proposed by the House and Senate.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

The conference agreement provides \$595,000 for the Office of the Under Secretary for Food Safety as proposed by the House instead of \$608,000 as proposed by the Senate.

FOOD SAFETY AND INSPECTION SERVICE

The conference agreement provides \$823,760,000 for the Food Safety and Inspection Service, instead of \$824,746,000 as proposed by the House and \$823,757,000 as proposed by the Senate.

The conferees include bill language, as proposed by the Senate, regarding full-time equivalent positions for inspections and enforcement of laws and regulations related to the Humane Methods of Slaughter Act.

The conference agreement includes bill language to provide \$3,000,000 for the Humane Animal Tracking System, a component of the Field Automation and Information Management System (FAIM). These funds will remain available until September 30, 2006.

The conference agreement includes a specific amount for regulatory and scientific training.

\$20,653,000

The conferees provide the following increases: \$17,267,000 for frontline inspectors and humane slaughter enforcement; \$3,000,000 for surveillance related to Bovine Spongiform Encephalopathy; \$7,153,000 for entry-level training for field employees, food safety regulatory essentials training, and biosecurity training; \$2,100,000 for biosurveillance; \$2,000,000 for the Food Emergency Response Network (FERN); \$1,500,000 for FERN data systems; and \$350,000 for microbiological baseline studies, bringing total funding for this activity to \$2,000,000.

~~The conferees also provide an increase of \$3,000,000 to incorporate the Humane Slaughter Animal Tracking system into the Field Automation and Information Management architecture.~~

The conferees direct FSIS to provide notice to the Committees on Appropriations prior to obligating funds for this purpose, with details on specific costs associated with this action, a schedule for incorporation, and how this action will benefit enforcement of the Humane Methods of Slaughter Act regulations.

The conferees commend FSIS for beginning to include photographs of recalled products and website addresses of manufacturers in recall press releases² notices. The conferees urge FSIS to continue to do this to the greatest extent possible and also to ask manufacturers if they will voluntarily provide information on retail outlets of recalled products for inclusion on the FSIS press release, so that consumers may readily locate them.

FOOD SAFETY AND INSPECTION SERVICE, FUNDING BY ACTIVITY

SC

(IN THOUSANDS OF DOLLARS)

Food Safety & Inspection:

Federal.....	742,305
State.....	52,175
International.....	19,335
Codex.....	2,726
FAIM Project.....	7,219
TOTAL	823,760

1 \$

1 \$

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

The conference agreement provides \$631,000 for the Office of the Under Secretary for Farm and Foreign Agricultural Services as proposed by the House instead of \$648,000 as proposed by the Senate.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

The conference agreement provides \$1,007,597,000 for the Farm Service Agency instead of \$1,060,471,000 as proposed by the House and instead of \$1,004,032,000 as proposed by the Senate. The conferees direct that of this amount \$854,000 shall be for additional salaries and expenses to carry out disaster assistance related activities.

STATE MEDIATION GRANTS

The conference agreement provides \$4,000,000 for State Mediation Grants, as proposed by the House and Senate.

DAIRY INDEMNITY

PROGRAM

SC

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

The conference agreement includes \$837,360,000 for Conservation Operations, instead of \$854,132,000 as proposed by the House and \$845,863,000 as proposed by the Senate. The agreement includes statutory language to make the funds in this account available until June 30, 2006, instead of the funds remaining available until expended, as proposed by the Senate.

The Committee provides \$23,500,000 for the Grazing Lands Conservation Initiative, \$10,500,000 for snow surveys, \$14,433,000 for Plant Materials Centers, and \$87,196,000 for the Soil Surveys Program.

Misuse of discretionary funds - The conferees are concerned about the misuse of discretionary conservation technical assistance funds. The fiscal year 2004 instructions to State Conservationists from the Chief of NRCS, state, "Your fiscal and performance responsibilities include...Assuring that all planning that occurs before the approval of an application for Farm Bill conservation programs is charged to Conservation Technical Assistance (CTA), but charge the planning that occurs after the application has been approved (contract planning) to the benefiting program...". This instruction is in clear violation of ^{provisions of} Public Law 108-199, which ^{are restated} ^{in this Act,} ^{ing} directs that none of the funds made available to NRCS may be used to provide technical assistance "with respect to programs listed in section 1241(a) of the Food Security Act of 1985."

The Office of the General Counsel has opined that the language is clear in its prohibition of the use of discretionary CTA funds for Farm Bill conservation programs. The NRCS is directed to provide the Committees on Appropriations with a detailed accounting of all CTA funds that were used for Farm Bill conservation programs at any point in fiscal years 2003 and 2004, including the amounts and dates of any charges made to CTA during the planning process before

application approval, by January 15, 2005.

State funding allocations - The conferees are concerned that funding allocations to the States are being reduced in proportion to Congressional earmarks funded in the Conservation Operations account. The conferees direct the Chief of the NRCS, in making the fiscal year 2005 Conservation Operations funding allocations to the States, to treat Congressional earmarks as additions to the States' funding allocation. The conferees direct the NRCS to provide a report to the Committee on Appropriations, not later than 45 days after the enactment of this Act, including the following: fiscal year 2004 Conservation Operations Allocation by State, Fiscal Year 2005 Conservation Operations Allocation by State, the fiscal year 2005 Congressional Earmarks by State, and the Total Conservation Operations Allocation by State.

Projects identified with a specific dollar amount in ~~Conference~~ ^{House} Report 108-401 that were directed to be funded by the conferees for fiscal year 2004 or identified with a specific dollar amount in House Report 108-584 or Senate Report 108-340 are not funded for fiscal year 2005, unless specifically mentioned herein.

The conferees direct NRCS to obligate the funds for the projects named within this account within 45 days of enactment, and to provide a report within 60 days of enactment to the Committees on Appropriations regarding those obligations, and specifically noting any projects for which funding has been delayed beyond 45 days and the reason for the delay.

~~Funding for fiscal year 2004 projects is not continued in fiscal year 2005 unless specifically mentioned in this report.~~ The following funds are directed to be used in cooperative agreements continued with the same cooperator entities as in the fiscal year 2004 agreements, unless otherwise noted.

Cooperative agreement between the Alabama Department of Conservation and Natural Resources and the Alabama Wildlife Federation for conservation education in Millbrook, Alabama (AL)--\$450,000; Obtain/evaluate materials for cold region seeds of plants in conjunction w/ Alaska Division of Agriculture (AK)--\$315,000; Native Plant Materials (evaluating and developing) (AK)--\$315,000; GIS-based mapping/hyperspectral imaging of agriculture lands (AK)--\$400,000; NRI pilot development (AK)--\$1,200,000; Cooperative agreement w/ Soil and Water Conservation District (AK)--\$1,500,000; National Water Management Center (AR)--\$2,612,500; Little Red River Irrigation Project (AR)--\$399,000; Study to determine logistics of transportation/coordination of excess nutrient management (AR)--\$225,000; East Valley Conservation District/Santa Ana Watershed Authority Non-native Plant Removal (CA) --\$1,000,000; Monterey Bay Sanctuary (CA)--\$600,000; Cooperative agreement with the Municipal Water District of Orange County California (CA)--\$100,000; Cooperative agreement w/ Tufts University to improve conservation practices (CT)--\$480,000; Pilot projects for technology systems resulting in nutrient reduction (FL)--\$5,500,000; Manatee Agriculture Reuse System (FL)--\$2,000,000; Lake Okeechobee Watershed project planning (FL)--\$310,000; Suwannee, Dixie, and Lafayette Counties dairy and poultry waste treatment (FL)--\$280,000; Cooperative agreement w/Green Institute (FL)-- \$340,000; Implementation of pilot projects for nutrient reducing waste treatment systems (FL)--\$720,000; Georgia Soil and Water Conservation Commission Cooperative Agreement (GA)--\$3,600,000; Community nutrient management facilities (GA)--\$350,000; PMC for Native Plants to clean up the Island of Kahoolawe (HI)--\$108,000; Molokai Agriculture Community Committee (HI)--\$250,000; Agricultural development/resource conservation-Molokai (HI)--\$740,000; Idaho One Plan (ID)--\$200,000; Conversion to sprinkler irrigation-Minidoka (ID)--\$950,000; Basalt and ground water protection

project (ID)--\$275,000; Ecological site description project w/ ID Association of Conservation Districts (ID)--\$300,000; Trees Forever Program (IL)--\$100,000; Iroquois River watershed (IL)--\$468,000; Illinois River Agricultural Conservation Project w/ Ducks Unlimited (IL)--\$244,000; Wildlife habitat education program in conjunction w/National Wild Turkey Federation (IL)--\$244,000; Cooperative agreement with Kane County, Illinois, for Blackberry Creek watershed (IL)--\$360,000; Illinois River Basin – EQIP; Hungry Canyon/Loess Hills Erosion Control/Western Iowa (IA)--\$1,200,000; Trees Forever Program (IA)--\$100,000; CEMSA w/Iowa Soybean Association (IA)--\$431,500; Cooperative agreement w/ Northern Iowa University (IA)--\$450,000; Innovative environmental technology program (IN)--\$650,000; Soil erosion control cost-share program/soil survey program (KY)--\$2,800,000; Technical assistance to provide grants to Soil Conservation Districts in Kentucky (KY)--\$940,000; Cooperative agreement w/ Western ^{Ky} University (KY)--\$400,000; Dairy waste remediation-Lake Ponchartrain Basin (LA)--\$295,000; Cooperative agreement w/ LSU on effectiveness of agriculture and forestry (LA)--\$336,500; False River sedimentation/Bayou Grosse (LA)--\$150,000; Chesapeake Bay activities (MD)--\$6,000,000; Conservation related to cranberry production (MA/WI)--\$570,000; Weed It Now-Taconic Mountains (MA/NY/CT)--\$200,000; Great Lakes pilot program for conservation (MI)--\$575,000; Mississippi Conservation Initiative (MS)--\$2,500,000; Delta Water Resources Study (MS) \$700,000; Delta Conservation Demonstration Center, Washington County (MS) \$1,400,000; Soil erosion/Alcorn State (MS)--\$175,000; Cattle and nutrient management in stream crossings (MS)--\$900,000; Choctaw County feasibility study for surface impoundment (MS)--\$230,000; Wildlife Management Institute (MS)--\$5,813,000; Humphrey's County Hospital flood protection (MS)--\$125,000; Drainage improvements/Hinds County (MS)--\$250,000; Drainage improvements, Port Gibson

(MS)--\$397,000; Rankin County-Richland Creek Watershed (MS)-- \$250,000; Rankin County erosion control project, Mill Creek (MS)--\$225,000; Upper White River Water Quality Project in southern Missouri (MO)--\$391,500; Lake Tahoe Basin Soil Conservation Project (NV/CA) --\$500,000; Great Basin Land and Water study (NV)--\$300,000; State conservation cost share program (NJ)--\$950,000; Riparian restoration activities along Rio Grande and Pecos₁ (NM)-- ^{1 River} \$540,000; Pastureland Management/Rotational Grazing (NY)--\$600,000; Best management practices/Skaneateles and Owasco Watersheds (NY)--\$325,000; Address non-point pollution in Onondaga and Oneida Lake Watersheds (NY)--\$500,000; Phase II/Watershed Agriculture Council in Walton (NY)--\$700,000 of which \$80,000 is for monitoring the easements purchased by the Council's Whole Farm Easement Program; Pace University Land Use Law Center (NY)--\$200,000; technical assistance to address water quality problems in Sodus Bay watershed, Wayne County (NY)--\$250,000; New York State Agriculture and Environment Management Program (NY)--\$800,000; Long Island Sound watershed initiative (NY)--\$200,000; Erosion control/stabilization for Hudson River shoreline (NY)--\$250,000; Technical assistance to livestock/poultry industry (NC)-- \$450,000; West Cary Watershed and Farmland Protection Project (NC)--\$300,000; Red River Flood Prevention/Energy and Environmental Research Center (ND)--\$1,000,000; North Central Planning Council water utilization/ Devil's Lake (ND)-- \$350,000; Maumee Watershed Hydrological Study and Flood Mitigation Plan (OH)--\$1,000,000; Oregon Garden, Silverton (OR)-- \$325,000; Native grassland demo project in the vicinity of Tar Creek (OK)--\$2,350,000; Pawcatuck Watershed (RI)--\$500,000; Study to characterize land use change while preserving natural resources in cooperation with Clemson University (SC)-- \$1,200,000; GIS based Model to integrate commodity and conservation (SC)-- \$900,000; Bexar, Medina, Uvalde Counties

irrigation in Edwards Aquifer (TX)--\$500,000; Field office telecommunications pilot
program/advanced soil survey methods (TX)--\$2,400,000; Leon River Restoration project (TX)--
\$100,000; Range vegetation pilot project, Ft. Hood (TX)--\$500,000; a cooperative agreement
with the Texas Water Resources Institute ~~cooperative agreement~~ to implement a watershed
protection plan for Tarrant County (TX)--\$500,000; AFO/CAFO Pilot Project (UT)--\$300,000;
Dry Creek/Neff's Grove project (UT)--\$1,050,000; Study to examine effects of vegetative
manipulation on water yields w/ Utah State (UT)--\$625,000; Washington Fields (UT)--
\$1,125,000; Utah Conservation Initiative (UT)--\$1,000,000; Reduce phosphorus loading into
Lake Champlain (VT)--\$295,000; Pilot farm viability program project (VT) \$233,500; Walla
Walla watershed alliance (WA)--\$500,000; Design/implement natural stream restoration
initiatives (WV)--\$785,000; Soil survey geographic database in the Mid-Atlantic Highlands
(WV) \$190,000; Poultry Litter Composting (WV)--\$160,000; Potomac and Ohio River Basin
Soil Nutrient Project (WV)--\$300,000; Appalachian Small Farmer Outreach Program (WV)--
\$860,000; GIS Center of Excellence at West Virginia University (WV)--\$4,418,500; Grazing
Lands Initiative/Wisconsin Department of Ag (WI)-- \$950,000; Examine benefits of using
vegetative buffers w/ Univ. of Wisconsin-Madison (WI)--\$550,000; Conservation land
internship program (WI)-- \$114,000; Wisconsin Tribal Conservation Advisory Committee
cooperative agreement (WI)-- \$287,500; Cooperative agreement w/Sand County Foundation
(WI)--\$1,050,000; University of Wisconsin cooperative agreement on conservation tech transfer
(WI)-- \$300,000; Cooperative agreement Pioneer Farm (WI) \$300,000; Soil survey mapping
project (WY)-- \$300,000; Audubon at Home Pilot Program \$500,000; Great Lakes Basin
Program for Soil & Erosion Sediment--\$2,500,000; On-Farm Management Systems Evaluation
Network--\$200,000; Watershed management demo program/NPPC--\$548,000; National Fish

and Wildlife Foundation Partnerships--\$3,000,000; Source water protection project to States showing greatest need--\$3,250,000; Operation Oak Program to restore hardwoods--\$350,000.

and
~~The conference agreement provides \$2,400,000 to continue a field office telecommunication and field technology program, and to implement advanced soil survey methods and GIS visualization tools in West Texas.~~

~~Possible **NEW LANGUAGE**: The conference agreement directs NRCS to provide \$3,600,000 for a cooperative agreement with the Georgia Soil and Water Conservation Commission to carry out the Flint River Agricultural Water Conservation Initiative (GA); and to provide \$350,000 to the Georgia Soil and Water Conservation Commission for Community Nutrient Management Facilities (GA).~~

The conferees provide \$900,000 for the continued development of a geographic information system database in South Carolina to integrate commodity and conservation program data at the field level for watershed analysis and other purposes as the agency deems appropriate. The conferees encourage the agency to consider the designation of the University of South Carolina Earth Sciences Resources Institute as an Information Technology Center of Excellence.

The conferees recognize that the High Plains Aquifer, with the Ogallala Aquifer as its most important component, lies beneath eight States and is the primary source of water for all reported uses in western Kansas. The conferees are aware that the aquifer is depleting at alarming rates and absent conservation efforts could be dry within two decades. The conferees urge the agency to give consideration to the use of ground and surface water funding for projects in Kansas that will conserve this aquifer.

The conferees support the preservation of the last tallgrass prairie in North America, most of which is located in the Flint Hills region of Kansas. The conferees recognize that the tallgrass prairie provides rich ranching lands, open spaces, and habitat for a diverse assemblage of plants and animals. The conferees urge the agency to give consideration to the use of all appropriate funding sources for projects in Kansas that will preserve and protect this unique area.

Edwards Aquifer.--The conferees encourage the Agency to provide technical and financial assistance to the Edwards Aquifer Authority, San Antonio Water Systems, and other local entities, regarding plugging of wells to address pollution concerns.

The conferees appreciate previous efforts by NRCS to conserve sage grouse habitat in the western United States. The conferees encourage the agency to use no less than \$5,000,000 in fiscal year 2005 to enhance its efforts on sage grouse habitat conservation. Additionally, NRCS should consider using such funds on public land grazing leases in addition to private lands.

Hal Plant Materials Centers—The conference agreement provides funding to complete construction of the Fallon, Nevada, Plant Material Center, \$1,500,000, and of the storage facility at the Alaska Plant Materials Center, \$1,350,000. The conference agreement provides funding for the Kika de la Garza Plant Materials Center at no less than the fiscal year 2004 level, to continue the work conducted at the Center. 15

WATERSHED SURVEYS AND PLANNING

The conference agreement provides \$7,083,000 for Watershed Surveys and Planning instead of \$11,083,000 as proposed by the House and \$7,500,000 as proposed by the Senate.

The conferees are concerned that additional watershed surveys and planning work is being initiated at a time when ongoing planning is not being completed in a timely manner, and the backlog for watershed project implementation and construction continues to mount. The

conferees direct the Chief of NRCS to evaluate and rank planning efforts in order to fund and complete the most promising projects based upon merit, and notify the Committees on Appropriations of the selected watershed projects.

WATERSHED AND FLOOD PREVENTION OPERATIONS

The conference agreement provides \$75,576,000 for Watershed and Flood Prevention Operations instead of \$86,487,000 as proposed by the House and \$64,000,000 as proposed by the Senate.

The conferees include bill language which limits the amount spent on technical assistance to not more than \$35,000,000.

The conferees include funding to complete the next phase of projects listed in the House and Senate reports.

WATERSHED REHABILITATION PROGRAM

The conference agreement provides \$27,500,000 for the Watershed Rehabilitation Program instead of the \$30,091,000 as proposed by the House and \$25,000,000 as proposed by the Senate.

The conferees direct that funding under this program be provided for rehabilitation of structures determined to be of high priority need in order to protect property and ensure public safety.

RESOURCE CONSERVATION AND DEVELOPMENT

The conference agreement provides \$51,641,000 for Resource Conservation and Development as proposed by the House instead of \$50,760,000 as proposed by the Senate.

The conferees include bill language as proposed by the House that directs the Secretary to enter into an agreement with a national association related to the Resource Conservation and

Development program, and directs that such an agreement must maintain the same matching, contribution requirements and funding set forth in previous agreements.

The conferees also include bill language that limits funding for national headquarters activities as proposed by the House.

TITLE III - RURAL DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

The conference agreement provides \$632,000 for the Office of the Under Secretary for Rural Development as proposed by the House instead of \$645,000 as proposed by the Senate.

The conferees direct the Under Secretary to give consideration to the following projects or organizations requesting financial and/or technical assistance, and grants and/or loans made available under the Rural Development mission area: Las Lomas Colonia, Starr County (TX), park and youth center; City of Benevides (TX), infrastructure for town park; City of Penitas (TX), development of wildlife park; City of Rio Grande City (TX), improvements for neighborhood pocket park; water and waste disposal loans for Pojoaque Pueblo (NM); and Union-Lincoln Regional Water Supply Initiative (LA), for alternative water supply program.

The conferees expect the Under Secretary to approve these projects only when such applications are judged to be meritorious when subject to established review procedures.

The conference agreement includes a general provision (Section 793) that ^{1 provides} \$2,250,000 to assist in the establishment of pilot cooperative healthcare purchasing alliances for farmers, ranchers, small businesses and non-profit organizations in Wisconsin and Minnesota. The conferees expect the Department to provide the grant within 60 days of enactment of this Act to the Wisconsin Federation of Cooperatives, of which \$2,000,000 is for the establishment of a stop loss fund and of which \$250,000 is for administrative expenses, including actuarial studies.

RURAL COMMUNITY ADVANCEMENT PROGRAM

The conference agreement provides \$716,049,000 for the Rural Community Advancement Program (RCAP) instead of \$668,408,000 as proposed by the House and \$733,360,000 as proposed by the Senate.

The conference agreement provides \$89,180,000 for rural community programs; \$552,689,000 for rural utilities programs, of which \$1,000,000 is for grants to nonprofit organizations to finance construction, refurbishing, and servicing of individually-owned household water well systems in rural areas, and of which \$500,000 is for revolving funds for financing water and wastewater projects; and \$74,180,000 is for rural business and cooperative development programs.

The conference agreement provides \$25,000,000 for loans and grants to benefit Federally Recognized Native American Tribes.

The conference agreement provides \$4,500,000 for community facilities grants to tribal colleges.

The conference agreement provides \$6,350,000 for the Rural Community Development Initiative.

The conference agreement provides \$1,000,000 for grants to the Delta Regional Authority for any Rural Community Advancement Program purpose.

The conference agreement provides \$18,250,000 for technical assistance grants for rural water and waste systems.

The conference agreement provides \$5,600,000 for the Rural Community Assistance Programs, of which \$800,000 shall be for a qualified national Native American Organization to provide technical assistance for rural water systems for tribal communities.

The conference agreement provides \$13,500,000 for a circuit rider program.

The conference agreement provides \$26,000,000 for rural and native villages in Alaska.

The conference agreement provides \$21,000,000 for facilities in rural communities with extreme unemployment and severe economic depression.

The conference agreement provides \$28,000,000 to be transferred to the Rural Utilities Service, High Energy Cost Grants Account.

The conference agreement does not include \$200,000 for predevelopment planning grants from the Rural Community Development Initiative.

The conferees expect the Department to continue Rural Community Advancement Program predevelopment planning grants.

The conferees encourage the Department to provide a rural business enterprise grant for the Tioga County Rural Economic Area Partnership Zone to coordinate and facilitate local community development projects in Tioga County, New York.

The following table indicates the distribution of funding for the RCAP:

Community Facilities.....	\$89,180,000
Business-Cooperative Development.....	74,180,000
Water and Waste.....	<u>552,689,000</u>
TOTAL.....	\$716,049,000
Directed spending:	
Federally Recognized Native American Tribes.....	25,000,000
Rural Community Development Initiative.....	6,350,000
Technical Assistance for Rural Transportation.....	750,000
Delta Regional Authority.....	1,000,000
Colonias.....	25,000,000
Alaska Villages.....	26,000,000
Technical Assistance.....	18,250,000

RURAL DEVELOPMENT SALARIES AND EXPENSES

The conference agreement provides \$148,452,000 for Rural Development Salaries and Expenses instead of \$171,250,000 as proposed by the House and \$143,452,000 as proposed by the Senate.

The conferees provide an increase of \$5,000,000 within the Rural Development Salaries and Expenses account to ^{be used to} complete the consolidation of St. Louis Rural Development activities at the Goodfellow facility. The conferees further request the Department to provide the Committees on Appropriations a report on the status of the consolidation within 60 days after enactment of this Act.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

The conference agreement provides a total subsidy of \$228,256,000 for activities under the Rural Housing Insurance Fund Program Account instead of \$230,030,000 as proposed by the House and \$228,847,000 as proposed by the Senate.

The conference agreement provides for an estimated loan program level of \$4,720,843,000 instead of \$4,686,906,000 as proposed by the House and \$4,157,691,000 as proposed by the Senate.

The conference agreement provides for a transfer of \$448,342,000 to salaries and expenses as proposed by the Senate instead of \$448,889,000 as proposed by the House.

The conference agreement includes a provision authorizing housing funds initially allocated to Alaska to be available until September 30, 2006.

The conference agreement does not include bill language restricting the section 515 rental housing program to repair and rehabilitation.

The conferees include a general provision (Section 726) to increase the guarantee fee for the guaranteed single-family housing loan program to two percent. The conferees are concerned that in fiscal years 2003 and 2004, the Rural Housing Service needed to exercise the Secretary's interchange authority to transfer additional budget authority to avoid shutting down the guaranteed loan program. The fiscal year 2005 President's budget request included only a small increase in loan level above the appropriated fiscal year 2004 level. Raising the guarantee fee to two percent will allow this guarantee loan program to more effectively use its budget authority.

The following table indicates loan and subsidy levels provided in the conference agreement:

Rural Housing Insurance Fund Program Account:

Loan authorizations:

Single family (sec. 502)	(\$1,150,000,000)
Unsubsidized guaranteed	(3,309,297,000)
Housing repair (sec. 504)	(35,000,000)
Rental housing (sec. 515)	(100,000,000)
Site loans (sec. 524)	(5,045,000)
Multi-family housing guarantees	(100,000,000)
Multi-family housing credit sales	(1,501,000)
Single family housing credit sales	(10,000,000)
Self help housing land development	(10,000,000)

Total, Loan authorizations

<u>(4,720,843,000)</u>	1 \$
------------------------	------

Loan subsidies:

Single family (sec. 502)	133,170,000
Unsubsidized guaranteed	33,608,000
Housing repair (sec. 504)	10,171,000
Rental housing (sec. 515)	47,090,000
Site loans (sec. 524)	---
Multi-family housing guarantees	3,490,000
Multi-family housing credit sales	727,000
Single family housing credit sales	---
Self help housing land development	---

Total, Loan subsidies

<u>228,256,000</u>	1 \$
--------------------	------

RHIF administration expenses (transfer to RD)

<u>448,342,000</u>	1 \$
--------------------	------

RENTAL ASSISTANCE PROGRAM

The conference agreement provides \$592,000,000 for the Rental Assistance Program as proposed by the House instead of \$585,900,000 as proposed by the Senate.

MUTUAL AND SELF-HELP HOUSING GRANTS

The conference agreement provides \$34,000,000 for Mutual and Self-Help Housing Grants as proposed by the House and Senate.

The conference agreement provides an estimated loan program level of \$34,213,000 with a subsidy of \$15,868,000 for the Rural Development Loan Fund as proposed by the House and Senate.

15 The conference agreement provides for a transfer of \$4,316,000 to the Rural Development salaries and expense account as proposed by the Senate instead of \$4,321,000 as proposed by the House.

118 The conference agreement includes \$3,449,000 for Mississippi Delta Region counties, of which up to \$1,500,000 for the Delta Regional Authority.

RURAL ECONOMIC DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

The conference agreement provides an estimated loan program level of \$25,003,000 for the Rural Economic Development Loan Fund Program Account with a subsidy of \$4,698,000 as proposed by the House and Senate to remain available until expended.

RURAL COOPERATIVE DEVELOPMENT GRANTS

The conference agreement provides \$24,000,000 for Rural Cooperative Development Grants as proposed by the Senate instead of \$23,500,000 as proposed by the House.

The conference agreement provides \$15,500,000 for value-added agricultural product market development grants.

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

The conference agreement provides \$12,500,000 for Rural Empowerment Zones and Enterprise Communities Grants as proposed by the Senate instead of \$11,419,000 as proposed by the House.

The conference agreement includes bill language providing that \$1,000,000 shall be for third round empowerment zones.

RENEWABLE ENERGY PROGRAM

The conference agreement provides \$23,000,000 for the Renewable Energy Program as proposed by the House instead of \$20,000,000 as proposed by the Senate.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

The conference agreement provides a total subsidy of \$5,158,000 for activities under the Rural Electrification and Telecommunications Loans Program Account. The conference agreement provides for an estimated loan program level of \$4,840,000,000 as proposed by the House and Senate.

The conference agreement provides for a transfer of \$38,277,000 to the Rural Development salaries and expenses account as proposed by the Senate instead of \$38,323,000 as proposed by the House.

The conferees are concerned by the Department's reprogramming of the Rural Electrification and Telecommunications Loan Program in fiscal year 2004. The program levels are estimates, not limitations, and the affected direct loan program levels had negative subsidy rates in fiscal year 2004. If the program levels with negative subsidy rates in this account are insufficient to meet the expected demand, the program level should be increased with no offset to another program level. The Committees on Appropriations continue to require notification of any reprogramming and expect that all loan level reprogramming be consistent with this paragraph.

The following table indicates loan and subsidy levels provided in the conference agreement:

Rural Electrification and Telecommunications Loans Program Account:

Loan authorizations:

Electric:

Direct, 5 percent.....	(\$120,000,000)
Direct, Muni.....	(100,000,000)
Direct, FFB	(2,000,000,000)
Direct, Treasury rate	(1,000,000,000)
Guaranteed	(100,000,000)
Guaranteed underwriting.....	(1,000,000,000) →

Subtotal	<u>(4,320,000,000)</u>
----------------	------------------------

1 \$

Telecommunications:

Direct, 5 percent.....	(145,000,000)
Direct, Treasury rate	(250,000,000)
Direct, FFB	(125,000,000)
Subtotal	<u>(520,000,000)</u>

1 \$

1 \$

Total, loan authorizations.....	<u>(4,840,000,000)</u>
---------------------------------	------------------------

1 \$

Loan subsidies:

Electric:

Direct, 5 percent.....	3,648,000
Direct, Muni.....	1,350,000
Guaranteed	60,000

1 \$

Subtotal	<u>5,058,000</u>
----------------	------------------

1 \$

Telecommunications:

Direct, Treasury rate	<u>100,000</u>
-----------------------------	----------------

1 \$

Total, loan subsidies.....	<u>5,158,000</u>
----------------------------	------------------

1 \$

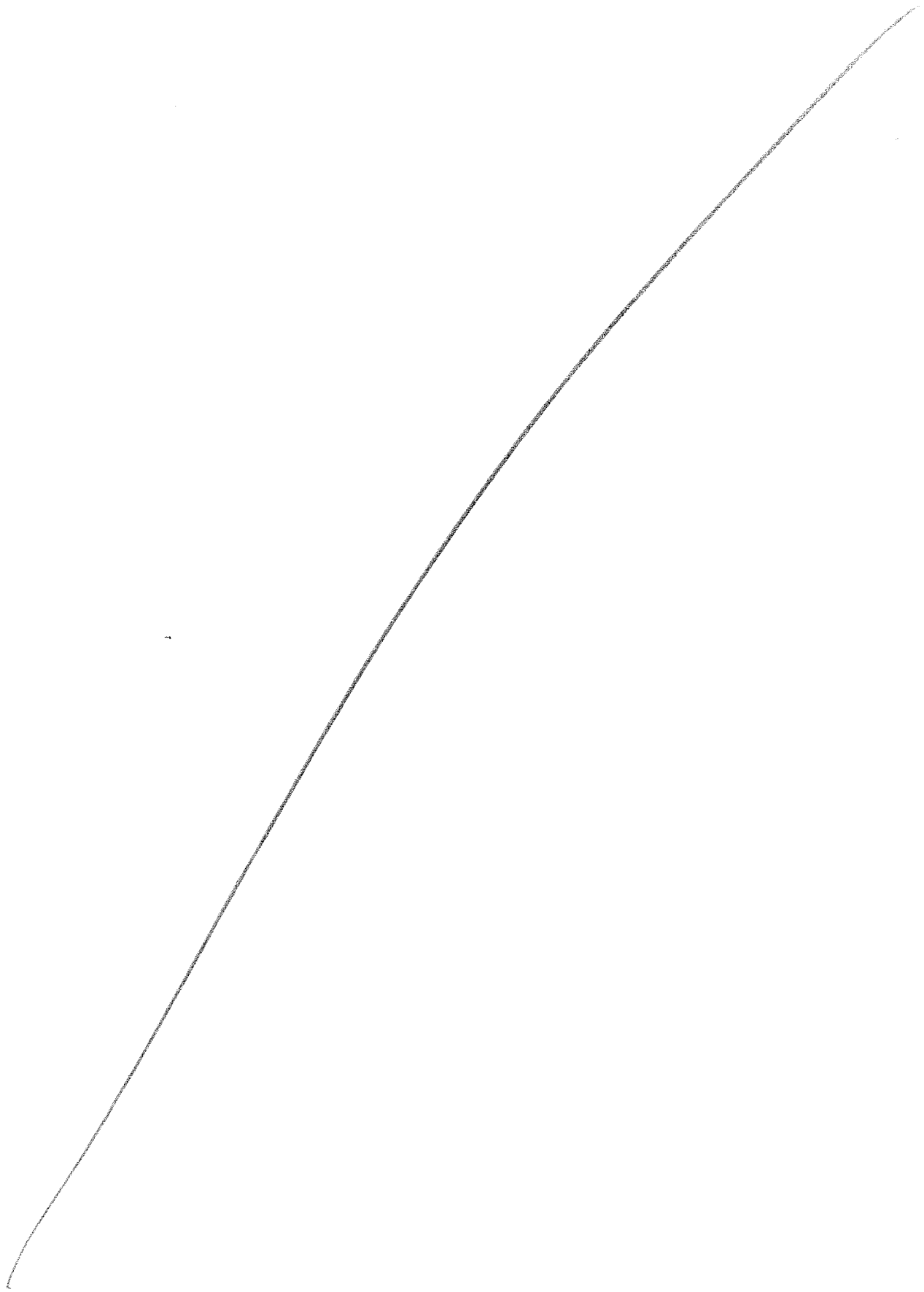
RETLP administrative expenses (transfer to RD)	<u>38,277,000</u>
--	-------------------

1 \$

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The conference agreement provides an estimated loan program level of \$175,000,000 for the Rural Telephone Bank Program Account as proposed by the House and Senate.

The conference agreement provides for a transfer of \$3,152,000 to the Rural Development salaries and expenses account as proposed by the House and the Senate.



17

DISTANCE LEARNING AND ^{and BROADBAND} TELEMEDICINE PROGRAM

The conference agreement provides \$56,425,000 for the Distance Learning, Telemedicine, and Broadband Program instead of \$44,594,000 as proposed by the House and \$60,064,000 as proposed by the Senate. 17

The conference agreement provides for an estimated loan program level of \$50,000,000 for distance learning and telemedicine and \$550,000,000 for broadband telecommunications.

The conference agreement includes \$35,000,000 for distance learning and telemedicine grants, of which \$10,000,000 is for public broadcasting system grants, and \$710,000 for distance learning and telemedicine loan subsidy. ^{the} ~~the~~

The conference agreement includes \$11,715,000 for broadband telecommunications loan subsidy, and \$9,000,000 for grants. ^{The conference agreement also includes}

TITLE IV - DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

The conference agreement provides \$595,000 for the Office of the Under Secretary for Food, Nutrition and Consumer Services, as proposed by the House, instead of \$608,000 as proposed by the Senate.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

The conference agreement provides \$11,782,000,000 for Child Nutrition Programs, instead of \$11,380,557,000, as proposed by both the House and Senate. Included in the total is an appropriated amount of \$6,629,038,000 and a transfer from section 32 of \$5,152,962,000.

The conference agreement includes a provision prohibiting use of funds for studies and evaluations.

The conference agreement provides the following for Child Nutrition programs:

Total Obligational Authority

Child Nutrition Programs:

School lunch program.....	\$6,794,930,000
School breakfast program.....	1,925,044,000
Child and adult care food program.....	2,058,976,000
Summer food service program.....	282,787,000
Special milk program.....	17,210,000
State administrative expenses.....	144,878,000
Commodity procurement and computer support...	541,858,000
School meals initiative/Team nutrition.....	10,025,000
Food safety education.....	1,000,000
Coordinated review effort.....	5,235,000
Program pay cost.....	<u>57,000</u>

Total.....\$11,782,000,000

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

The conference agreement provides \$5,277,250,000 for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), instead of \$4,907,250,000 as proposed by the House, and \$5,175,250,000 as proposed by the Senate.

The conference agreement provides an increase of \$190,000,000 above the budget amendment that was submitted July 14, 2004. Within the total provided, the conferees redirect \$37,250,000 from requested initiatives to current and anticipated increases in program participation. *meet*

The conference agreement includes \$125,000,000 for a contingency reserve fund, to be allocated as the Secretary deems necessary, as proposed by the Senate. The conference agreement does not include statutory language designating the amount as an emergency requirement.

The conference agreement does not include bill language that sets aside \$5,000,000 for childhood obesity and \$20,000,000 for State management information systems.

FOOD STAMP PROGRAM

The conference agreement provides \$35,154,554,000 for the Food Stamp Program, instead of \$33,635,798,000 as proposed by the House and \$33,641,798,000 as proposed by the Senate. Included in this amount is a reserve of \$3,000,000,000, to remain available until September 30, 2006.

In addition to the \$3,000,000,000 in the reserve, the conference agreement includes \$30,499,527,000 for program expenses, \$1,515,027,000 for grants to Puerto Rico and Samoa, and \$140,000,000 for commodity purchase for The Emergency Food Assistance Program.

The conference agreement includes a provision allowing for purchase of bison meat, in an amount not to exceed \$4,000,000, for the Food Distribution Program on Indian Reservations (EDPIR).

COMMODITY ASSISTANCE PROGRAM

The conference agreement provides \$178,797,000 for the Commodity Assistance Program as proposed by the House, instead of \$172,081,000, as proposed by the Senate.

Within that amount, the conference agreement provides \$107,716,000 for the Commodity Supplemental Food Program, as proposed by the House.

The conference agreement includes a provision allowing the Secretary to determine what form of special assistance would go towards supporting the nuclear affected islands in this account.

The conferees provide \$50,000,000 for administration—processing, storage, transport, and distribution—of The Emergency Food Assistance Program (TEFAP). The conference agreement includes a general provision (Section 739) that provides the Secretary with authority to transfer up to \$10,000,000 from TEFAP commodity purchases to administration.

NUTRITION PROGRAMS ADMINISTRATION

The conference agreement provides \$139,937,000 for Nutrition Programs Administration, instead of \$133,742,000 as proposed by the House, and \$142,592,000 as proposed by the Senate. The conference agreement does not include funding for the requested initiatives as proposed by the Senate.

The conference agreement does not include language regarding WIC-only stores, as proposed by the House.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

The conference agreement provides \$137,822,000 for the Foreign Agricultural Service, Salaries and Expenses instead of \$137,722,000 as proposed by the House and \$139,162,000 as proposed by the Senate.

The conference agreement includes the following increases: \$1,759,000 for ICASS; \$1,565,000 to offset the increased costs in overseas currency rates; \$490,000 for overseas telecommunications; \$516,000 for capital surcharge; and \$600,000 for technical assistance for the promotion of specialty crop exports.

PUBLIC LAW 480 TITLE I AND TITLE II PROGRAM AND GRANT ACCOUNTS

The conference agreement provides \$94,198,000 for Title I loan subsidies for a loan level of \$109,000,000 as proposed by the Senate instead of \$86,420,000 for Title I loan subsidies and a loan level of \$100,000,000 as proposed by the House.

MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM

GRANTS

The conference agreement provides \$87,500,000 for the McGovern-Dole International Food for Education and Child Nutrition Program instead of \$75,000,000 as proposed by the House and \$100,000,000 as proposed by the Senate.

Grants

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement provides total appropriations, including Prescription Drug User Fee Act, Medical Device User Fee Act, and Animal Drug User Fee Act collections, of \$1,788,478,000 for the salaries and expenses of the Food and Drug Administration, instead of \$1,788,849,000, as proposed by the House and \$1,791,599,000 as proposed by the Senate, and provides specific amounts by FDA activity as reflected in the following table.

FOOD AND DRUG ADMINISTRATION, SALARIES AND EXPENSES
(In thousands of dollars)

Program	Budget Authority	Prescription Drug User Fees	Medical Device User Fees	Animal Drug User Fees	Total
Foods.....	439,038	.....	.....	.....	439,038
Human Drugs.....	293,839	204,808	.....	.....	498,647
Biologics.....	124,104	40,441	8,169	.....	172,714
Animal Drugs and Feeds.....	91,216	.....	.....	7,748	98,964
Medical Devices.....	216,699	.....	18,379	.....	235,078
National Center for Toxicological Research.....	40,530	.....	.....	.....	40,530
Other Activities.....	87,936	23,738	4,061	235	115,970
Rent and Rent-related Activities...	54,036	3,000	686	.....	57,722
Rental Payments to GSA.....	114,394	12,407	2,643	371	129,815
Total Recommendation.....	1,461,792	284,394	33,938	8,354	1,788,478

The conference agreement also makes mammography user fees and export certification user fees available to the agency.

Within the total funding for the Food and Drug Administration, the following increases above the fiscal year 2004 level are provided: \$35,500,000 for activities related to food safety and food defense, as proposed by the Senate, instead of \$43,367,000 as proposed by the House; \$8,325,000 for activities related to BSE, as proposed by the House and Senate; \$25,555,000 for medical device review, as proposed by the Senate, instead of \$23,055,000 as proposed by the House; \$5,000,000 for medical countermeasures to ensure preparedness in the event of war or catastrophic events, as proposed by the House and Senate; and \$15,628,000 for relocation expenses related to the move of the Center for Drug Evaluation and Research offices to the consolidated White Oak campus, instead of \$10,628,000 as proposed by the House and \$20,628,000 as proposed by the Senate.

In addition, the conference agreement includes increases above the budget request for the following: \$1,200,000 for Orphan Product Grants, instead of \$1,800,000 as proposed by the House; \$325,000 for the Office of Women's Health, as proposed by the House; \$250,000 for the Food Technology Evaluation Laboratory at New Mexico State University, as proposed by the Senate; and \$300,000 for additional activities relating to the vaccine for influenza.

The conferees note the intense public interest in two recent events related to prescription drug safety – the changes ordered in anti-depressant drug labels and the September 2004 withdrawal of a widely-prescribed painkiller. The conferees are aware that FDA has undertaken a number of steps in response to concerns raised about drug safety in the aftermath of those incidents, including commissioning a study by the Institute of Medicine (IOM) on how FDA handles drug safety issues. The conferees direct FDA to regularly advise the Committees about any changes that FDA anticipates regarding drug safety, and to provide the Committees with regular progress reports on the IOM review and with a copy of the IOM report as soon as it is completed.

The conferees find it necessary to remind the Food and Drug Administration that the Committees on Appropriations perform critical oversight functions for the agency. The ultimate expression of this oversight is the funding decisions for the agency and accompanying language in the statement of managers. The conferees expect that Members of Congress will be provided requested information from FDA so that the Committees can perform their oversight function. It is insupportable that in some cases FDA has given information about major policy matters to the press before providing the same information to Congress. The conferees expect FDA to be fully cooperative with all Congressional oversight activities.

The conferees direct that no less than \$14,392,000 be available for grants and contracts awarded under Section 5 of the Orphan Drug Act.

The conferees appreciate receiving the detailed information provided in the Explanatory Notes prepared by the Department of Health and Human Services, Food and Drug Administration, and rely heavily on this information when considering budget proposals. These materials have traditionally been prepared for the sole use of the Committees on Appropriations in a format consistent with the organization and operation of the programs and the structure of the Appropriations Act. At the direction of the Office of Management and Budget, agencies have changed the format and content of these materials to focus on broader goals and objectives rather than the major program structure followed in the Act, and in the actual conduct of the programs. The new organization and content does not present budget information in a format useful to the deliberations of the Committees. For fiscal year 2006 and future years, the FDA is directed to present Explanatory Notes in a format consistent with the presentation used for the fiscal year 2002 Budget. Any deviations from that format are to be approved in advance by the Committees.

The conference agreement also includes savings related to administrative efficiencies, as proposed in the budget.

The conference agreement does not include language regarding collection of the fiscal year 2006 Prescription Drug User Fee Act fees as proposed by the House.

The conferees include a \$300,000 increase for the Center for Biologics Evaluation and Research (CBER) and related field activities in the Office of Regulatory Affairs for flu vaccine-related activities. The conferees understand that CBER will be undertaking a number of

additional activities in fiscal year 2005 to secure additional units of flu vaccine for the 2004-2005 flu season and to ensure an adequate supply of flu vaccine for the 2005-2006 flu season.

Relocation to White Oak Facility.--The conferees provide a \$15,628,000 budget authority increase and expect that appropriated user fees will fully fund the additional amount needed for relocation costs to the White Oak, Maryland, facility.

National Center for Food Safety and Technology.--The conferees recognize the contributions which the National Center for Food Safety and Technology (NCFST) is making toward ensuring the security of the nation's food supply. The conferees direct that FDA continue to provide \$3,000,000 to NCFST through the cooperative agreement. The \$3,000,000 in funding shall be exclusive of any additional initiative funds that FDA may award to NCFST.

Human Drug Compounding.-- The conferees do not include the language in the Senate report on human drug compounding. The conferees believe that drugs for human use compounded by pharmacists in response to a practitioner's prescription or order in conformity with state law should be prepared according to established guidelines on quality, purity, and strength, and preparation-specific monographs when they exist. The conferees also recognize, however, that the nature of compounding and the medical need it serves makes it impossible for all compounded medications to be prepared according to pre-existing monographs, and doing so would infringe on the professional obligation of a medical practitioner to prescribe the optimal medications for their patients.

There are existing state laws and official United States Pharmacopoeia (USP) pharmacy standards which necessitate good compounding practices. However, the conferees ~~strongly~~ believe it is desirable to develop additional formal monographs to provide additional guidance and conformity for doctors, patients and pharmacists.

Presently, the USP, a national drug standard setting organization recognized by Congress, has developed a number of monographs for individual compounded preparations. The conferees believe that a private sector partnership of involved organizations with demonstrated expertise regarding pharmacist compounding of preparations for humans should be expeditiously established to help assure a significant expansion of USP monographs and other relevant guidelines.

The conferees believe that the FDA should assist in the establishment of the private sector partnership to commence the expansion of available monographs relevant to pharmacist compounding of drugs for humans. The conferees encourage the FDA to request adequate funding in the fiscal year 2006 budget request to support this effort at increasing the number of formal monographs.

regarding human drug compounding

Nothing in this statement should be interpreted to change or impact in any way the existing state and federal regulatory roles regarding compounding.

Alpha-1 Antitrypsin Deficiency.--The conferees commend FDA for the progress made in bringing two additional plasma based therapies to market for the treatment of the progressive degenerative lung disease Alpha-1. Currently the only treatment for Alpha-1 is weekly infusions of plasma based augmentation therapy that is life sustaining and helps these individuals maintain lung function. Further, the Center for Biologics and Evaluation and Research (CBER) is recognized for meeting with consumer stakeholders in efforts to further the development of next generation therapies. The conferees encourage CBER to facilitate the development of novel and innovative therapies for the Alpha-1 community to treat the entire spectrum of individuals with Chronic Obstructive Pulmonary Disease.

Consolidation and Fees.—The conferees direct the Department of Health and Human Services (DHHS) to include all anticipated consolidations that impact FDA in the President’s budget requests submitted to Congress. Further, the conferees direct that none of the funds made available to FDA in this Act be used for any assessments, fee, or charges by DHHS unless such assessments, fees, or charges are identified in the FDA budget justification and expressly provided by Congress, or approved by Congress in the official reprogramming process as required in the General Provisions of this Act.

Biotechnology.--The conferees understand that the FDA frequently receives requests from foreign governments for FDA regulators to visit foreign countries to educate regulators on the evaluation of the safety of biotechnology. Providing information on the soundness of the U.S. regulatory process will promote the understanding of the benefits of biotechnology to human health and the environment and improve the climate for acceptance of U.S. agricultural products abroad. The conferees encourage FDA to allocate adequate funding so that agency representatives may perform this service.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

The conference agreement provides \$94,327,000 for the Commodity Futures Trading Commission, instead of \$93,327,000 as proposed by the House and \$95,327,000 as proposed by the Senate.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

The conference agreement includes a limitation of \$42,350,000 on administrative expenses of the Farm Credit Administration ~~(FCA)~~, instead of \$42,900,000 as proposed by the House and \$41,800,000 as proposed by the Senate.

TITLE VII – GENERAL PROVISIONS

Section 705. – The conference agreement includes language that allows for unobligated balances to be transferred to the Working Capital Fund.

Section 710. – The conference agreement limits indirect costs for grants awarded by the Cooperative State Research, Education, and Extension Service to 20 percent.

Section 714. – The conference agreement includes language for funds to cover necessary expenses related to advisory committees.

Section 718. – The conference agreement includes language regarding the transfer of funds to the Office of the Chief Information Officer and information technology funding obligations.

Section 719. – The conference agreement ~~provides~~ language regarding the reprogramming of funds. *includes*

Section 720. – The conference agreement includes language regarding the Initiative for Future Agriculture and Food Systems.

Section 725. – The conference agreement includes language regarding the National Sheep Industry Improvement Center revolving fund.

Section 726. – The conference agreement includes language regarding the guaranteed single-family housing loan program guarantee fee.

Section 727. – The conference agreement includes language that provides that certain locations shall be considered eligible for certain rural development programs.

Section 728. - The conference agreement directs the Secretary to make commodity tonnage available, to the extent practicable, to assist foreign countries to mitigate the effects of the Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome.

Section 729. – The conference agreement includes language regarding Natural Resources Conservation Service financial and technical assistance for certain projects in Illinois and Kentucky and sets limits for that funding.

Section 730. – The conference agreement ^{includes language regarding} ~~directs~~ the Natural Resources Conservation Service ~~to provide~~ financial and technical assistance for certain projects in Arkansas, Alaska, Illinois, and Utah.

Section 736. – The conference agreement allows unobligated balances within the Department of Agriculture to be used to reimburse the Office of the General Counsel for certain services provided.

Section 740. – The conference agreement includes language regarding the Wetlands Reserve Program.

Section 741. – The conference agreement includes language regarding the Environmental Quality Incentives Program.

Section 742. – The conference agreement provides the Secretary of Agriculture with authority to authorize employees of the Department to carry and use firearms for personal protection while conducting field work in remote locations.

Section 743. – The conference report includes language regarding the renewable energy program.

Section 744. – The conference report includes language regarding the broadband telecommunications program.

Section 745. – The conference agreement prohibits funds in excess of \$20,000,000 ~~that have been appropriated in prior years, as authorized under the Agricultural Trade Development~~

~~and Assistance Act of 1954~~, to be used to reimburse the Commodity Credit Corporation for the release of eligible commodities under the Bill Emerson Humanitarian Trust Act.

Section 746. – The conference agreement includes language regarding the value-added market development program.

Section 748. – The conference agreement includes language regarding Natural Resources and Conservation Service financial and technical assistance to the Dry Creek project, Utah.

Section 749. – The conference report includes language regarding the Conservation Security Program.

Section 750. – The conference agreement includes language regarding the Wildlife Habitat Incentive Program.

Section 751. – The conference report includes language regarding the Farmland Protection Program.

Section 752. – The conference report includes ~~\$10,000,000 in~~ assistance for certain tree losses.

Section 753. – The conference agreement includes language regarding the Rural Business Investment Program.

Section 754. – The conference agreement includes language regarding Public Law 105-264.

Section 755. – The conference report includes language regarding the ground and surface water conservation program.

Section 756. – The conference agreement includes language related to final rulemaking on APHIS cost-sharing.

Section 757. – The conference agreement includes language related to competitive sourcing of rural development or farm loan programs.

Section 758. – The conference agreement gives the Secretary of Agriculture the authority to enter into cooperative agreements to lease aircraft.

Section 759. – The conference report includes \$1,491,000 for the Northern Great Plains Regional Authority and stipulates that the Federal cost share is 100 percent.

Section 760. – The conference agreement includes language regarding the Bioenergy Program.

Section 761. – The conference agreement includes language regarding the Delta Regional Authority.

Section 762. – The conference agreement includes language that rescinds certain unobligated balances.

Section 763. – The conference agreement includes language regarding the use of discretionary funds for certain purposes.

Section 764. – The conference agreement includes language that rescinds certain unobligated balances.

Section 765. – The conference agreement includes a provision regarding eligibility for housing assistance in Alaska.

Section 766. – The conference agreement includes language regarding ~~eligibility for~~ certain conservation programs.

Section 767. – The conference agreement provides \$1,500,000 to the Denali Commission to address deficiencies in solid waste disposal sites.

Section 768. – The conference agreement includes language that provides that certain locations shall be considered eligible for certain rural development programs.

Section 769. – The conference agreement includes language regarding the Agricultural Trade Development and Assistance Act of 1954.

Section 770. – The conference agreement includes a provision giving the Secretary of Agriculture the authority to allow Community Facility Program borrowers to enter into contracts with third parties for necessary services.

Section 771. – The conference agreement includes language regarding the Emergency Watershed Protection Program.

Section 772. – The conference agreement includes language regarding agriculture credits or credit guarantees.

Section 773. – The conference agreement includes language regarding eligibility for the Conservation Reserve Program for land planted in hardwood trees, and previously enrolled in the program, to remain enrolled.

Section 774. – The conference agreement includes language regarding the use of funds to restrict to prescription use certain contraceptives.

Section 775. – The conference agreement includes language that rescinds certain unobligated balances.

Section 776. – The conference agreement includes language regarding privacy protection of certain sellers of farm products.

Section 777. – The conference agreement includes language regarding 1994 institutions.

Section 778. – The conference agreement includes language that rescinds certain unobligated balances.

language regarding

Section 779. – The conference agreement includes the Dakota Value Capture

Cooperative.

Section 780. – The conference agreement includes language regarding new ~~for-profit~~ ^{WIC-only}

~~vendors.~~ ^{stores}

Section 781. – The conference agreement includes language that rescinds certain unobligated balances.

Section 782. – The conference agreement includes language that rescinds certain unobligated balances.

Section 783. – The conference agreement includes language allowing use of unobligated balances in certain accounts within the Rural Utilities Service for the purposes of section 315 of the Rural Electrification Act of 1936.

Section 784. – The conference agreement includes language regarding the Wildlife Habitat Management Institute.

Section 785. – The conference agreement includes language regarding Livestock Assistance eligibility.

Section 786. – The conference agreement includes funding to carry out provisions of Section 751 of Public Law 108-7.

Section 787. – The conference agreement includes funding for a private lands wildlife management program.

Section 788. – The conference agreement includes certain technical corrections regarding the Child Nutrition Act.

Section 789. – The conference agreement includes a technical correction regarding the Hurricane Disasters Assistance Act.

Section 790. – The conference agreement includes funds for a certain grant.

Section 791. – The conference agreement includes funds for a certain grant.

Section 792. – The conference agreement includes language that rescinds certain unobligated balances.

Section 793. – The conference agreement includes funds for a certain grant.

Section 794. – The conference agreement includes language regarding EQIP participation.

Section 795. – The conference agreement includes funds for a certain grant.

Section 796. – The conference agreement includes language regarding Child and Adult Care Food Program audit funds.

Section 797. – The conference agreement includes language regarding the Grassland Reserve Program.

CONFERENCE TOTAL--WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2005 recommended by the Committee of Conference, with comparisons to the fiscal year 2004 amount, the 2005 budget estimates, and the House and Senate bills for 2005 follow:

(In thousands of dollars)	
New budget (obligational) authority, fiscal year 2004.....	\$ 86,761,836
Budget estimates of new (obligational) authority, fiscal year 2005.....	83,586,539
House bill, fiscal year 2005.....	83,670,594
Senate bill, fiscal year 2005.....	84,053,760
Conference agreement, fiscal year 2005.....	86,190,567
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 2004.....	-571,269
Budget estimates of new (obligational) authority, fiscal year 2005.....	+2,604,028
House bill, fiscal year 2005.....	+2,519,973
Senate bill, fiscal year 2005.....	+2,136,807

(78)